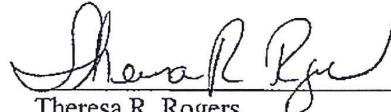


Summary Sheet of Overpayment OPTION 4 Amounts									
NAME	System	Mbr ID	OP Time Period	# of Month	OP Total	AGE at OP	AGE 62 Date	AGE at Ret.	TERMS of Rep.
	TSERS		4/08 – 7/2018	124	\$120,290.68	71	Apr-09	61:0	20%
	TSERS		7/08 – 7/2018	121	\$135,108.45	71	May-09	61:2	25%
	TSERS		12/09 – 7/2018	104	\$64,493.02	71	Oct. 2009	60:9	20%
	TSERS		12/07 – 7/2018	128	\$135,462.18	71	Dec. 2009	60:0	25%
	TSERS		3/07 – 7/2018	137	\$94,206.93	73	Mar-07	61:4	10%
	TSERS		7/91 - 7/18	325	\$295,289.33	84	Nov-96	56:8	20%
	TSERS		8/10 – 7/2018	96	\$71,534.89	71	Sep-09	60:3	40%
	TSERS		11/04-7/18	165	\$232,577.63	76	Nov 04	53:8	30%
	TSERS		1/2010 - 7/18	103	\$66,126.91	70	Dec. 2010	61:1	10%
	TSERS		9/05- 7/2018	155	\$107,943.72	62	Mar-06	61:6	N/A
	TSERS		1/02 – 7/2018	199	\$175,003.90	78	Aug. 2002	61:5	50%
	TSERS		3/01 – 8/2018	210	\$147,152.85	72	Jul-08	54:8	30%
	TSERS		8/95- 7/18	276	\$329,192.70	85	Aug-95	56:7	N/A
	TSERS		6/97 - 7/18	254	\$145,110.64	80	Feb-00	59:4	50%
	TSERS		7/96 – 7/2018	265	\$216,790.82	84	Nov-96	61:8	25%
	TSERS		6/06-7/2018	146	\$127,061.40	74	Jun-06	60:10	40%
	TSERS		7/05-7/18	157	\$201,611.84	75	Jul-05	57:5	40%
	TSERS		4/08 – 7/2018	124	\$73,877.49	72	Apr. 2008	52:9	50%
	TSERS		3/88 - 12/18	370	\$163,374.42	80	Apr 01	48:11	30%
	TSERS		7/09 – 7/2018	109	\$68,291.09	70	Sept. 2010	60:10	50%
	TSERS		7/04 – 7/2018	169	\$217,796.02	76	Dec. 2004	61:7	N/A
	TSERS		4/2000-7/18	220	\$141,533.92	76	Feb-04	58:2	10%
	TSERS		9/07- 7/2018	131	\$99,508.76	73	Dec. 2007	61:9	10%
	TSERS		1/2010 – 7/18	103	\$80,840.71	69	May-11	60:6	N/A
	TSERS		1/05 - 7/18	163	\$172,841.05	76	Jan-05	60:0	N/A
	TSERS		10/89 – 7/2018	346	\$282,062.13	83	Jun-97	54:4	50%
	TSERS		1/95 - 7/18	283	\$185,069.93	77	Apr-03	53:9	20%
Talley, Patsy W	TSERS	974693	11/08-7/2018	99	\$86,173.93	63	Jan. 2010	60:10	10%
	TSERS		7/05 – 7/2018	157	\$108,787.74	75	Oct. 2005	61:9	10%
	TSERS		6/10-7/18	98	\$54,156.83	70	Jun-10	60:1	20%
	TSERS		1/91-7/18	331	\$13,130.10	82	Dec-98	54:1	\$550/mo
	TSERS		1/99 – 7/2018	231	\$236,350.44	81	May-99	61:8	20%
	TSERS		7/09-7/2018	109	\$116,443.37	70	May-10	61:2	N/A
TOTAL					\$4,765,195.82				

Affirmation

I, Theresa R. Rogers, being first duly sworn, do depose and say that I am the Chief Compliance Officer for the Retirement Systems Division in the Office of State Treasurer; that I am acquainted with the facts of this case; that I have reviewed Respondent's Responses to Petitioner's First Set of Interrogatories; and that to the best of my knowledge, information, and belief, the factual statements in the responses to Interrogatory No. 2, 3, and 4 are true and accurate.

  
Theresa R. Rogers

WAKE COUNTY, NORTH CAROLINA

Signed and sworn to before me this day by Theresa R. Rogers.

Date: 12/13/2019

  
NOTARY PUBLIC

ANNIE B. MORGAN  
NOTARY PUBLIC  
WAKE COUNTY, N.C.

My Commission expires: 8/10/2022

Retirement Systems Division

Personal Journal Report

Name: TALLEY, PATSY W

Member ID: [REDACTED]

Journal Comments	Category	Contact Type	Originator	Created By	Created On
called member at 252-945-3311 could not leave message VM no set up.	Overpayments	Outgoing Call	RSD INTERNAL	DST \RET0302\TheresaRogers	7/31/2019 1:33:33 PM
d member at 252-945-3311 could not leave message VM no set up. Also sent two emails requesting contact both were Undeliverable.	Overpayments	RSD INTERNAL	RSD INTERNAL	DST \RET0302\TheresaRogers	8/22/2019 3:38:22 PM
Brent Talley called and left VM with contact number for his mother 252-945-3311 and himself 919-619-0264. Brent stated that someone called and told him that Rogers was calling to re-negotiate the option 4 overpayment balances.	Overpayments	Incoming Call	RSD INTERNAL	DST \RET0302\TheresaRogers	8/26/2019 12:24:06 PM
Rogers called and spoke with Patsy Talley and informed that RSD could revisit the overpayment deduction which means that the amount deducted from her monthly benefit could be reduced. Rogers informed that the overpayment balance itself has not been reduced or changed. Member Talley stated that she would like to discuss reducing the deduction amount because her retirement is what she and her husband are "living off of" because "the men at her husband's company messed up his retirement". She said that she spoke with her son and attorney and asked if she could pay back 10% of her net. Rogers agreed provided member Talley with the new deduction amount 10% of net monthly benefit \$185.27. Rogers informed member Talley that she would follow up with a letter confirming the new deduction amount and the deduction would begin September 2019. Member Talley said thank you so much and this will help her a lot.	Overpayments	Outgoing Call	RSD INTERNAL	DST \RET0302\TheresaRogers	8/26/2019 12:36:13 PM
Uploaded email from Brent Talley.	Overpayments	RSD INTERNAL	RSD INTERNAL	DST \RET0302\TheresaRogers	8/29/2019 8:58:45 AM
uploaded second email from Brent Talley.	Overpayments	Email	RSD INTERNAL	DST \RET0302\TheresaRogers	8/29/2019 10:42:46 AM
Sent response email to member Talley. uploaded email.	Overpayments	Email	RSD INTERNAL	DST \RET0302\TheresaRogers	8/29/2019 12:02:19 PM
Uploaded final affidavit	Overpayments	RSD INTERNAL	RSD INTERNAL	DST \RET0302\TheresaRogers	11/25/2019 2:26:24 PM
Forwarded email from Brent Talley to Patrick Kinlaw per team lead. jdh	Overpayments	Email		DST \RET0389\JakeHowe	4/10/2019 10:43:31 AM

ORBIT - Personal Journal Version # 1

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Report created by: Theresa Rogers

On: 12/3/2019 4:44:52 PM



Retirement Systems Division					
Name: TALLEY, PATSY W		Member ID: [REDACTED]	SSN: [REDACTED]		
Journal Comments	Category	Contact Type	Originator	Created By	Created On
621 Overpayment balance as of today's date correspondence has been generated.	Comment			DST \\RET0964\FondaPage	3/19/2019 6:01:17 PM
Per Steve Toole's request Compliance's Audit Team conducted a subsequent review of the process owner's overpayment calculation for members identified in the Option Four (4) Final Report attached to the "Option Four (4) Overpayment Review" email dated February 4, 2019. Added to each member's A/X file is an Option Four (4) packet that contains the process owner's overpayment calculation work papers as well as Compliance's Audit Team overpayment calculation work papers. The packet has been uploaded as "Audit" document type. Please see packet for details.	Comment	RSD INTERNAL	RSD INTERNAL	DST \\RET0302\TheresaRogers	2/12/2019 4:21:04 PM
Option Four-(4) overpayment letter mailed to member. Document type "CO".	Comment	RSD INTERNAL	RSD INTERNAL	DST \\RET0302\TheresaRogers	2/25/2019 11:49:56 AM
Phoned member, left msg for return call.	Comment	Outgoing Call	RSD INTERNAL	DST \\RET0964\FondaPage	3/5/2019 2:36:40 PM
Phoned member, left msg for return call.	Comment	Outgoing Call	RSD INTERNAL	DST \\RET0964\FondaPage	3/7/2019 10:55:56 AM
Phoned member, left msg. Letter mailed, deduction set.	Comment	Outgoing Call	RSD INTERNAL	DST \\RET0964\FondaPage	3/19/2019 10:45:20 AM
310 Notification to the member that we have notified the Department of Revenue of their overpayment correspondence has been generated.	Comment			SelfService	3/1/2019 6:01:43 PM
241 Notify of single payment for underpayment, any size correspondence has been generated.	Comment			DST\\RET0267\TonjaHunt	8/16/2018 6:06:08 PM
Phoned member to explain reduction/letter, left msg.	Comment	Outgoing Call		DST \\RET0964\FondaPage	8/22/2018 1:37:38 PM
702 Notify member of security upgrade for ORBIT account correspondence has been generated.	Comment			DST \\RET0380\BrandonPunch	4/4/2018 6:12:23 PM

002



Retirement Systems Division					
Name: TALLEY, PATSY W		Member ID:		SSN:	
Journal Comments	Category	Contact Type	Originator	Created By	Created On
Mbr called to update address. Verified account. Updated address and also mailed copy of 1099R. Transferred to survey.	Acct Info/change	Incoming Call		DST \\RET0380\BrandonPunch	4/4/2018 5:09:36 PM
New Address Added.	Comment			DST \\RET0380\BrandonPunch	4/4/2018 5:07:31 PM
Health insurance deduction added with the following details:  Insurance Name: Smart Choice Standard Plan: Retiree Only Coverage: Medicare Member Only Effective Date: 12/1/2012	Health Insurance - SHP	RSD INTERNAL	RSD INTERNAL  RSD INTERNAL	BATCHJOB \\SHPIN:LOAD	11/5/2012 6:37:24 AM
241 Notify of single payment for underpayment, any size (MNYCHNG) correspondence has been generated.	Comment			DST\\RET0267\TonjaHunt	4/26/2010 9:58:04 PM
241 Notify of single payment for underpayment, any size (MNYCHNG) correspondence has been generated.	Comment			DST \\RET0273\JillGiddens	4/23/2010 9:48:50 PM
Request Type: Retirement Recalculation Comments: Please recalculate retirement b/c more money was reported. Caller Information: Name: PATSY TALLEY Contact Phone Number: (252)975-2537 Contact Email: ptalley@beaufort.k12.nc.us Originator: RSD Internal Correspondence Address: 831 W 2ND ST - WASHINGTON, NC 27889 Workflow updated.	Retirement Benefits - Info	RSD INTERNAL	RSD INTERNAL	DST\\RET0267\TonjaHunt	4/22/2010 1:31:00 PM
	Comment		RSD INTERNAL	SYSTEM INITIAL ROUTING	4/22/2010 1:37:51 PM

Retirement Systems Division					
Name: TALLEY, PATSY W		Member ID: [REDACTED]	SSN: [REDACTED]		
Journal Comments	Category	Contact Type	Originator	Created By	Created On
113 Notify of reduction due to Option 4 (CO) correspondence has been generated.	Comment			DST\bpaswebprod	12/21/2009 9:52:51 PM
113 Notify of reduction due to Option 4 (CO) correspondence has been generated.	Comment			DST\bpaswebprod	10/26/2009 9:45:35 PM
189 Introduce retiree to ORBIT (SLFSV) correspondence has been generated.	Comment			DST\bpaswebprod	11/25/2008 9:48:00 PM
194 Acknowledge acceptable Form 336 (336ACK) correspondence has been generated.	Comment			DST\RET0065\BarbaraMalloy	11/6/2008 9:56:53 PM
Request Type: Beneficiary Designation Comments: Created by Workflow Caller Information: Correspondence Address:  	Comment			SYSTEM INITIAL ROUTING	11/4/2008 9:08:06 AM
Request Type: Retirement Information Request Comments: Created by Workflow Caller Information: Correspondence Address:  	Comment			SYSTEM INITIAL ROUTING	10/15/2008 2:19:51 PM
Created by Workflow	Comment			SYSTEM INITIAL ROUTING	10/17/2008 12:27:25 PM
Created by Workflow	Comment			SYSTEM INITIAL ROUTING	10/17/2008 10:02:07 AM
472 Retirement Confirmation Letter correspondence has been generated.	Comment			DST\RET0361\LisaLangdon	10/16/2008 9:37:07 PM

004

Retirement Systems Division					
Name: TALLEY, PATSY W		Member ID:		SSN:	
Journal Comments	Category	Contact Type	Originator	Created By	Created On
Designating Beneficiary(ies) for the Guaranteed Refund as a Retiree correspondence has been generated.	Comment			DST \\RET0361\\LisaLangdon	10/16/2008 9:37:05 PM
Member selected option: OPT4 and will receive a benefit of: \$2,703.34	Comment			DST \\RET0361\\LisaLangdon	10/16/2008 10:14:39 AM
Created by Workflow	Comment			SYSTEM INITIAL ROUTING	10/15/2008 2:19:48 PM
Retirement Calculation Letter correspondence has been generated.	Comment			DST \\RET0809\\TerrieWhite	10/7/2008 10:33:21 PM
Choosing Your Retirement Payment Option correspondence has been generated.	Comment			DST \\RET0809\\TerrieWhite	10/7/2008 10:33:20 PM
Choosing Income Tax Withholding Preferences correspondence has been generated.	Comment			DST \\RET0809\\TerrieWhite	10/7/2008 10:33:19 PM
428 Request Form 6E cover letter correspondence has been generated.	Comment			DST \\RET0809\\TerrieWhite	10/7/2008 10:33:19 PM
266 Confirm self-service registration (SLFSV) correspondence has been generated.	Comment			SelfService	10/2/2008 11:30:05 PM

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Report created by: Theresa Rogers

On: 12/3/2019 4:44:52 PM



Retirement Systems Division

Name: TALLEY, PATSY W

Member ID: [REDACTED]

SSN: [REDACTED]

Journal Comments	Category	Contact Type	Originator	Created By	Created On
Request Type: Self-Service Estimate Caller Information: Name: PATSY W TALLEY Contact Phone Number: (999)999-9999 Correspondence Address: 831 W 2ND ST - WASHINGTON, NC 27889 Additional Request Information for Self Service Estimate: 	Acct info/change			plwtalley\	10/2/2008 8:58:53 PM
Created by Workflow	Comment			SYSTEM INITIAL ROUTING	8/7/2008 1:40:18 PM
239 Request documents from member (170REQ) correspondence has been generated.	Comment			DST \RET0398\BethBarham	7/24/2008 9:59:53 PM
Authorizing Direct Deposit correspondence has been generated.	Comment			DST \RET0398\BethBarham	7/24/2008 9:59:53 PM
426 Acknowledge acceptable Form 6 correspondence has been generated.	Comment			DST \RET0403\CindyJohnson	7/18/2008 9:56:15 PM
Selecting Health Coverage Through the State Health Plan correspondence has been generated.	Comment			DST \RET0403\CindyJohnson	7/18/2008 9:56:13 PM
Choosing the Contributory Death Benefit for Retired Members correspondence has been generated.	Comment			DST \RET0403\CindyJohnson	7/18/2008 9:56:11 PM
Authorizing Direct Deposit correspondence has been generated.	Comment			DST \RET0403\CindyJohnson	7/18/2008 9:56:10 PM

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Report created by: Theresa Rogers

On: 12/3/2019 4:44:52 PM

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Retirement Systems Division

Name: TALLEY, PATSY W		Member ID:	SSN:		
Journal Comments	Category	Contact Type	Originator	Created By	Created On
Request Type: Payment Processing Request Comments: Created by Workflow Caller Information: Correspondence Address:   Created by Workflow  Created by Workflow	Comment			SYSTEM INITIAL ROUTING	7/18/2008 8:49:58 AM
	Comment			SYSTEM INITIAL ROUTING	7/18/2008 2:34:03 PM
	Comment			SYSTEM INITIAL ROUTING	8/1/2008 9:15:22 AM
Request Type: Incoming Correspondence-Retirements Comments: Created by Workflow Caller Information: Correspondence Address:   Created by Workflow	Comment			SYSTEM INITIAL ROUTING	7/18/2008 8:46:36 AM
	Comment			SYSTEM INITIAL ROUTING	7/18/2008 2:09:47 PM
Request Type: Retirement Calculation Comments: Created by Workflow Caller Information: Correspondence Address:   Created by Workflow  Created by Workflow	Comment			SYSTEM INITIAL ROUTING	7/18/2008 8:45:55 AM
	Comment			SYSTEM INITIAL ROUTING	7/18/2008 8:46:27 AM
	Comment			SYSTEM INITIAL ROUTING	7/18/2008 2:20:01 PM
Service Audit Letter correspondence has been generated.	Comment			DST RET0349\JASONCAGEL	6/26/2008 9:51:04 PM
266 Confirm self-service registration (SLFSV) correspondence has been generated.	Comment			SelfService	4/16/2008 10:24:18 PM
Request Type: Service Count Request Comments: pls provide service count for mbr who has 2 months' sick lve & wants to retire w/25 yrs 11/1 Caller Information: Name: PATSY TALLEY Contact Phone Number: (999) 999-9999 Originator: Member Correspondence Address: 831 W 2ND ST - WASHINGTON, NC 27889-4781  Created by Workflow	Account Inquiry	Incoming Call		DST RET0959\EMILKAPLAN	3/25/2008 4:27:05 PM
				SYSTEM INITIAL ROUTING	3/25/2008 4:59:26 PM

**Theresa Rogers**

---

**From:** Theresa Rogers  
**Sent:** Thursday, August 29, 2019 11:56 AM  
**To:** Pat  
**Subject:** RE: Patsy Talley overpayment  
**Attachments:** P Talley-.tif

Hi Ms. Talley,

I hope this note finds you well.

This morning, I received the below email from Mr. Brent Talley. Within the email Mr. Talley identified himself as your son and is requesting information regarding your account. To communicate member account information with persons other than the member, the member will need to provide RSD with a power of attorney ("POA") noting who RSD should communicate to and what information can be shared. Without the POA, the member will need to provide RSD permission each time it is requested for RSD to communicate with persons other than the member.

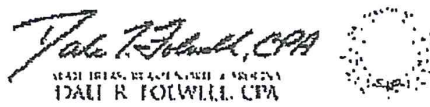
As a result of our telephone conversation on August 26, 2019, attached please find the letter mailed to you confirming your current overpayment balance, new overpayment deduction amount and the date in which it is effective.

If we may be of further assistance please advise.

Thanks,

**Theresa R. Rogers**  
Member Compliance Manager  
Retirement Systems Division  
Office: (919) 814-4027

3200 Atlantic Avenue, Raleigh, NC 27604  
[www.NCTreasurer.com](http://www.NCTreasurer.com)



E-mail correspondence to and from this address may be subject to the North Carolina Public Records Law. It may be subject to monitoring and disclosed to third parties, including law enforcement personnel, by an authorized state official.

IMPORTANT: When sending confidential or sensitive information, encryption should be used.

**From:** Brent Talley <btalley06@gmail.com>  
**Sent:** Thursday, August 29, 2019 9:17 AM  
**To:** Theresa Rogers <Theresa.Rogers@nctreasurer.com>  
**Cc:** Pat <patsylynn3@gmail.com>  
**Subject:** Patsy Talley overpayment

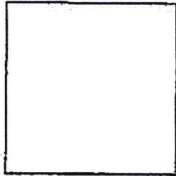
Theresa,



I sent the following email yesterday but had copied my mom's lawyer on the email. I was informed that may compromise your ability to respond because lawyers usually talk to lawyers and clients talk with clients. Therefore, I'm re-sending the same email with just my mother, Patsy Talley copied on the email. I hope that does not complicate things.

I am Patsy Talley's son. We greatly appreciate you working with us to reduce her repayment amount. She informs me that the Department of State Treasurer is willing to reduce the repayment amount from her monthly retirement check from \$950.12 to \$185.27. My mother has asked for me advice as to whether she should withdraw her contested case hearing petition and I am trying to confirm in writing that the reduction will occur and when and if my mother can rely on this reduction to remain in place, or if there is some chance that someone will change their mind at some later date and increase the payment amount again. My mother is on a fixed income and she needs to have some security and peace of mind about whether this reduction is actually permanent. I would appreciate it very much if you would address her concerns, and mine, regarding this matter before we have to spend additional money on the contested case hearing. I have copied my mom on this email in case you should have any additional questions or concerns.

Regards,



--  
Brent W. Talley,

--  
Brent W. Talley,

Pharmacy Manager  
Hayes Barton Pharmacy  
Phone: 919-832-4641  
Cell: 919-619-0264

**Theresa Rogers**

---

**From:** Brent Talley <btalley06@gmail.com>  
**Sent:** Thursday, August 29, 2019 9:17 AM  
**To:** Theresa Rogers  
**Cc:** Pat  
**Subject:** Patsy Talley overpayment

Theresa,

I sent the following email yesterday but had copied my mom's lawyer on the email. I was informed that may compromise your ability to respond because lawyers usually talk to lawyers and clients talk with clients. Therefore, I'm re-sending the same email with just my mother, Patsy Talley copied on the email. I hope that does not complicate things.

I am Patsy Talley's son. We greatly appreciate you working with us to reduce her repayment amount. She informs me that the Department of State Treasurer is willing to reduce the repayment amount from her monthly retirement check from \$950.12 to \$185.27. My mother has asked for me advice as to whether she should withdraw her contested case hearing petition and I am trying to confirm in writing that the reduction will occur and when and if my mother can rely on this reduction to remain in place, or if there is some chance that someone will change their mind at some later date and increase the payment amount again. My mother is on a fixed income and she needs to have some security and peace of mind about whether this reduction is actually permanent. I would appreciate it very much if you would address her concerns, and mine, regarding this matter before we have to spend additional money on the contested case hearing. I have copied my mom on this email in case you should have any additional questions or concerns.

Regards,



--  
Brent W. Talley,

--  
Brent W. Talley,

Pharmacy Manager  
Hayes Barton Pharmacy  
Phone: 919-832-4641  
Cell: 919-619-0264

**Theresa Rogers**

---

**From:** Brent Talley <btalley06@gmail.com>  
**Sent:** Wednesday, August 28, 2019 3:38 PM  
**To:** Theresa Rogers  
**Cc:** Pat; Valerie Bateman  
**Subject:** Patsy Talley overpayment

Theresa,

I am Patsy Talley's son. We greatly appreciate you working with us to reduce her repayment amount. She informs me that the Department of State Treasurer is willing to reduce the repayment amount from her monthly retirement check from \$950.12 to \$185.27. My mother has asked for me advice as to whether she should withdraw her contested case hearing petition and I am trying to confirm in writing that the reduction will occur and when and if my mother can rely on this reduction to remain in place, or if there is some chance that someone will change their mind at some later date and increase the payment amount again. My mother is on a fixed income and she needs to have some security and peace of mind about whether this reduction is actually permanent. I would appreciate it very much if you would address her concerns, and mine, regarding this matter before we have to spend additional money on the contested case hearing. I have copied my mom and the lawyer we have been working with on this email in case you should have any additional questions or concerns.

Regards,

--  
Brent W. Talley,





North Carolina  
Total Retirement Plans



*Dale R. Folwell, CPA*  
DALE R. FOLWELL CPA

August 26, 2019

Ms. Patsy W Talley  
6459 Broad Creek RD  
Washington, NC 27889-9735

Re: Option 4 Retirement Benefit Overpayment for Member ID [REDACTED]

Dear Ms. Talley:

This letter is a follow up to our telephone conversation on August 26, 2019, regarding a payment plan for the overpayment assessed to your Teachers' and State Employees' Retirement System ("TSERS") account related to your Option 4 retirement benefit election.

North Carolina statute requires a state agency to pursue the repayment of an overpayment of state funds. Therefore, the Retirement Systems Division ("RSD") does not have the authority to reduce or ignore overpayments. As discussed during the above telephone conversation, however, RSD will make changes to the amount of your monthly overpayment deduction. Pursuant to the agreement reached between RSD and you on the above date, beginning September 1, 2019, RSD will deduct \$185.27, each month from your TSERS retirement benefit until your overpayment balance has been satisfied.

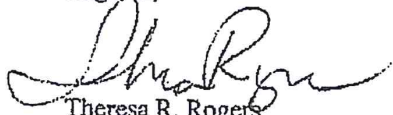
As of the date of this letter, your overpayment balance is \$81,542.18. If you wish, you may pay the total overpayment balance by sending a check or money order payable to the Teachers' and State Employees' Retirement System to the address below. A processing fee of \$20.00 will be charged for any check that is returned due to insufficient funds.

**Interception of Tax Refund or Lottery Winnings**

Please be aware that according to N.C.G.S. §105A, if you qualify for a North Carolina state tax refund or North Carolina Education Lottery Winnings, those funds will be sent to RSD to help pay off your outstanding balance. If you have an existing overpayment of more than \$50, the North Carolina Department of Revenue will be notified, and qualifying tax refund and lottery winnings will be sent to RSD. If this situation occurs, you will be notified of the amount we received on your behalf and your new balance, if any.

If we may be of further assistance, please contact us at the address or telephone number listed below. Thank you for your time and attention to this matter.

Regards,

  
Theresa R. Rogers  
Member Compliance Manager  
Retirement Systems Division

3200 ATLANTIC AVENUE, RALEIGH, NORTH CAROLINA 27604  
Telephone (877) 627-3287 toll-free Fax (919) 855-5800  
[www.nyncretirement.com](http://www.nyncretirement.com)

ORBIT - Maintain Payee - Deductions

Page 1 of 1

Retirement System: TSERS Benefit Account Type: SVC Effective Date: 11/1/2008

Member ID: [REDACTED] Member SSN: [REDACTED] Member Name: TALLEY, PATSY W DOB: [REDACTED] DOD: [REDACTED] Workflow: Member  
Email: patsyllynne3@gmail.com  
Payee Member ID: [REDACTED] Payee SSN: [REDACTED] Payee Name: TALLEY, PATSY W DOB: [REDACTED] DOD: [REDACTED] Workflow: Payee  
Email: patsyllynne3@gmail.com

Payee Address: [REDACTED] 2  
6459 BROAD CREEK RD  
WASHINGTON, NC 27889-9735

Payee Check Address: [REDACTED] 2  
Check address same as mailing address.

Benefit Information: 2								
Benefit	Current Month Gross	SGR	Taxable	Fed Tax	State Tax	Deduction	Current Month Net	
\$1,920.73	\$1,920.73	\$0.00	\$1,920.73	\$23.77	\$0.00	\$44.28	\$1,852.70	

Status Benefits Tax Deductions SHP-Deductions SHP-Deduction Errors Beneficiaries EFT Info EFT Print Info History

Payee Deduction Information 2									
Deduction Organization	Deduction Amount	Status	Method	SHP Effective Date	Begin	End	Direct Bill	State Contrib	
228 - Pierce - Vision Insurance	\$7.21	Active	Ongoing		12/12/2018				
228 - Pierce - Vision Insurance	\$7.35	Inactive	Ongoing		12/11/2015	12/12/2018			
228 - Pierce - Vision Insurance	\$7.50	Inactive	Ongoing		7/12/2011	12/11/2015			
228 - Pierce - Vision Insurance	\$3.75	Inactive	Ongoing		6/12/2011	7/12/2011			
227 - Pierce - Dental Insurance	\$37.05	Active	Ongoing		12/12/2018				
227 - Pierce - Dental Insurance	\$37.78	Inactive	Ongoing		12/10/2014	12/12/2018			
227 - Pierce - Dental Insurance	\$35.31	Inactive	Ongoing		12/13/2011	12/10/2014			
227 - Pierce - Dental Insurance	\$32.28	Inactive	Ongoing		7/12/2011	12/13/2011			
227 - Pierce - Dental Insurance	\$31.89	Inactive	Ongoing		6/12/2011	7/12/2011			
216 - SINSS - Vision Insurance	\$8.24	Inactive	Ongoing		4/12/2011	5/12/2011			
216 - SINSS - Vision Insurance	\$9.76	Inactive	Ongoing		1/16/2008	4/12/2011			
215 - SINSS - Dental Insurance	\$32.45	Inactive	Ongoing		12/10/2009	5/12/2011			
215 - SINSS - Dental Insurance	\$29.37	Inactive	Ongoing		1/16/2008	12/10/2009			
006 - Overpayment--Credit To TSERS	\$185.27	Active	Fixed Reduce Remainder		9/1/2019				
006 - Overpayment--Credit To TSERS	\$926.35	Inactive	Fixed Reduce Remainder		4/1/2019				

Site Map

ORBIT - Maintain Invoices

Page 1 of 1

Enter Search Criteria:

SSN	<input type="text"/>	Invoice Number	<input type="text"/>
Name	<input type="text"/>	Invoice Status	<input type="text"/>
Member ID	<input type="text" value="974669"/>	Invoice Type	<input type="text"/>
Agency	<input type="text"/>	From	<input type="text"/>
Section	<input type="text"/>	To	<input type="text"/>

Search Results: Your search returned 1 rows, Overpayment Invoice Total Balance: \$81,542.18

Invoice Number	Invoice Date	Invoice Type	Agency	SSN	Name	Member ID	Invoice Status	Invoice Amount	Paid Amount	Delinq Fee	Balance Amount
<a href="#">View</a> 3565311	02/20/2019	TSERS Overpayment Invoice			SY TALLEY		Created	\$95,173.93	\$14,631.75	\$0.00	\$81,542.18

[See Map](#)



**Theresa Rogers**

---

**From:** Mail Delivery System <MAILER-DAEMON@nctreasurer.com>  
**To:** wgt3838@suddenlink.net  
**Sent:** Thursday, August 22, 2019 3:36 PM  
**Subject:** Undeliverable: Requested Contact

**Delivery has failed to these recipients or groups:**

[wgt3838@suddenlink.net](mailto:wgt3838@suddenlink.net)

A problem occurred during the delivery of this message to this e-mail address. Try sending this message again. If the problem continues, please contact your helpdesk.

The following organization rejected your message: mx.suddenlink.net.

**Diagnostic information for administrators:**

Generating server: ZixGateway01.nctreasurer.com

[wgt3838@suddenlink.net](mailto:wgt3838@suddenlink.net)  
mx.suddenlink.net # <mx.suddenlink.net #5.0.0 smtp; 550 Invalid recipient: <wgt3838@suddenlink.net>> #SMTP#

**Original message headers:**

Return-Path: <theresa.rogers@nctreasurer.com>  
Received: from 127.0.0.1 (ZixVPM;127.0.0.1)  
by Outbound.nctreasurer.com (Proprietary) with SMTP id BFB9D1B5C58  
for <wgt3838@suddenlink.net>; Thu, 22 Aug 2019 18:29:35 -0400 (EDT)  
Received: from smtp-outbound.dst.local (unknown [10.22.47.119])  
(using TLSv1 with cipher ECDHE-RSA-AES256-SHA (256/256 bits))  
(No client certificate requested)  
by ZixGateway01.nctreasurer.com (Proprietary) with ESMTPS id D4B1D1B4A9E;  
Thu, 22 Aug 2019 15:36:24 -0400 (EDT)  
Received: from DST-EMBP4C.dst.local ([fe80::dd67:50eb:dbd6:f12c]) by  
DST-EMBP4D.dst.local ([fe80::f5ad:7416:4104:c79f:21]) with mapi id  
14.03.0439.000; Thu, 22 Aug 2019 15:36:24 -0400  
From: Theresa Rogers <Theresa.Rogers@nctreasurer.com>  
To: "wgt3838@suddenlink.net" <wgt3838@suddenlink.net>  
CC: "ptalley@beaufortk12.nc.us" <ptalley@beaufortk12.nc.us>  
Subject: Requested Contact  
Thread-Topic: Requested Contact  
Thread-Index: Adv2IOCSNWCE3zCES9q4ZN+yyAul6Q==  
Date: Thu, 22 Aug 2019 19:36:22 +0000  
Message-ID: <5A60628D4FEF5B45AB787C1272462089DC5B22B8B3T-EMBP4C.dst.local>  
Accept-Language: en-US  
Content-Language: en-US  
X-MS-Has-Attach: yes  
X-MS-TNEF-Correlator:  
x-originating-ip: [10.22.35.12]

Content-Type: text/plain  
MIME-Version: 1.0  
X-VPM-HOST: ZixGateway01.nettreasurer.com  
X-VPM-GROUP-ID: e21e5827-0fdc-4a86-96e2-9991665152c6  
X-VPM-MSG-ID: 2d547cd0-09aa-4bfl-bdfl-379ba03b7569  
X-VPM-ENC-REGIME: Plaintext  
X-VPM-IS-HYBRID: 0

**Theresa Rogers**

---

**From:** Mail Delivery System <MAILER-DAEMON@nctreasurer.com>  
**To:** ptalley@beaufortk12.nc.us  
**Sent:** Thursday, August 22, 2019 3:36 PM  
**Subject:** Undeliverable: Requested Contact

**Delivery has failed to these recipients or groups:**

ptalley@beaufortk12.nc.us

A problem occurred and this message couldn't be delivered. Check to be sure the e-mail address is correct. If the problem continues, please contact your helpdesk.

**Diagnostic information for administrators:**

Generating server: ZixGateway01.nctreasurer.com

ptalley@beaufortk12.nc.us

#< #5.4.4 X-Proprietary; Host or domain name not found, Name service error for name=beaufortk12.nc.us type=A: Host not found> #SMTP#

**Original message headers:**

Return-Path: <theresa.rogers@nctreasurer.com>  
Received: from 127.0.0.1 (ZixVPM [127.0.0.1])  
by Outbound.nctreasurer.com (Proprietary) with SMTP id BC3F11E524B  
for <ptalley@beaufortk12.nc.us>; Thu, 22 Aug 2019 15:29:35 -0400 (EDT)  
Received: from smtp-outbound.dst.local (unknown [10.22.47.119])  
(using TLSv1 with cipher ECDHE-RSA-AES256-SHA (256/256 bits))  
(No client certificate requested)  
by ZixGateway01.nctreasurer.com (Proprietary) with ESMTPS id D4B1D1E4A9E;  
Thu, 22 Aug 2019 15:29:34 -0400 (EDT)  
Received: from DST-EMBP4C.dst.local ([fe80::dd67:50eb:dbd6:9f2c]) by  
DST-EMBP4D.dst.local ([fe80::f5ad:7416:4104:c79f'21]) with mapi id  
14.03.0439.000; Thu, 22 Aug 2019 15:36:24 -0400  
From: Theresa Rogers <Theresa.Rogers@nctreasurer.com>  
To: "wgt3838@suddenlink.net" <wgt3838@suddenlink.net>  
CC: "ptalley@beaufortk12.nc.us" <ptalley@beaufortk12.nc.us>  
Subject: Requested Contact  
Thread-Topic: Requested Contact  
Thread-Index: AdvZ1OCsNWC23zOES9qM2N+yyAul6Q==  
Date: Thu, 22 Aug 2019 19:36:22 +0000  
Message-ID: <5A60628D4FEF5B45AB767C12724620999DC5B22B8DST-EMBP4C.dst.local>  
Accept-Language: en-US  
Content-Language: en-US  
X-MS-Has-Attach: yes  
X-MS-TNEF-Correlator:  
x-originating-ip: [10.22.35.12]  
Content-Type: text/plain

MIME-Version: 1.0  
X-VPX-MSG-ID: 813d2b0c-71f7-4944-95cd-b5e85a735e5a  
X-VPX-HOST: 2ixGateway01.net.treasurer.com  
X-VPX-GROUP-ID: e21e6827-0fdc-4a86-96e2-9991665152c6  
X-VPX-ENC-REGIME: Plaintext  
X-VPX-IS-HYBRID: 0





North Carolina  
Total Retirement Plans

STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA

*Dale R. Folwell, CPA*



## RETIREMENT SYSTEMS DIVISION

STEVEN C. TOOLE  
EXECUTIVE DIRECTOR

April 24, 2019

Certified Mail

Return Receipt Requested

Article Number 7017 2620 0000 8981 6562

Patsy W. Talley  
6459 Broad Creek Road  
Washington, NC 27889-9735

Re: Appeal for Administrative Review

Dear Ms. Talley:

The Retirement Systems Division of the Department of State Treasurer ("RSD") has received your attorney's letter dated April 18, 2019. You have requested an administrative review of RSD's finding that overpayments in the total amount of \$86,173.93 have been made to you from the Teachers' and State Employees' Retirement System ("TSERS"), and of RSD's intention to recoup the amount through monthly deductions from your retirement check, beginning April 2019 in the amount of \$926.35 per month. Your attorney's letter requests that RSD hold in abatement any deductions from your retirement check, until the appeal is resolved. Further information about RSD's finding of an overpayment may be found in RSD's letters dated August 16, 2018, November 5, 2018, and February 22, 2019, and March 19, 2019.

Summary of Conclusions

RSD has reviewed your appeal and has concluded the following:

- The overpayment amount of \$86,173.93 was correctly determined. For more information, see "Amount of Overpayment" below.
- RSD seeks to recover the full amount of the overpayment as required by law. RSD acknowledges that the overpayment is the result of an administrative error that occurred in 2010. We are very sorry for the error and for the fact that it continued until 2018. However, the fact that the overpayment arose from an administrative error that continued until 2018 does not affect the amount of the overpayment or RSD's duty to seek recovery. For more information, see "Duty to Recover Overpayment" below.
- With regard to the recoupment plan, RSD has acted within its duty to recover overpayments, and within its authority to offset all or part of any retirement

3200 ATLANTIC AVENUE, RALEIGH, NORTH CAROLINA 27604  
Telephone (877) 627-3287 toll-free Fax (919) 855-5800  
[www.myncretirement.com](http://www.myncretirement.com)

Page 2

allowance toward an overpayment. For more information, see "Terms of Repayment" below.

- This letter presents RSD's Final Agency Decision with respect to this appeal. For more information and for further appeal rights, see "Final Agency Decision" below.

#### Amount of Overpayment

According to TSERS records, you retired from the Beaufort County Schools effective November 1, 2008, at the age of 60. At the time of your retirement, your benefit was calculated based on 25.1 years of creditable service and average final compensation (AFC) of \$50,999.98 per year. Because you were at least 60 years old with at least 25 years of creditable service at your retirement effective date, your benefit was not reduced for early retirement. You were entitled to a monthly benefit for your lifetime equal to 1.82 percent (TSERS factor from N.C.G.S. § 135-5(b19)(2)) times \$50,999.98 (AFC) times 25.1 (creditable service) divided by 12 (to determine a monthly benefit), or \$1,941.48 per month. (All benefit amounts described in this section are "gross" benefit amounts, before withholding for taxes or other deductions.)

Instead of receiving this monthly benefit of \$1,941.48 for life (called the "Maximum Allowance"), you elected on your Form 6E dated October 15, 2008 to receive your pension under a form of payment called "Option Four: Adjustment of Retirement Allowance and Social Security Benefits With No Monthly Survivorship". Option Four is available to members who retire before the age of 62. Under this option, your benefit was scheduled to begin at \$2,703.34 per month, before reducing to \$1,846.34 per month once you attained age 62. In other words, once you attained age 62, your TSERS benefit was scheduled to decrease by \$857.00 per month, which was the amount of the estimated age 62 Social Security retirement benefit that RSD received from you on July 18, 2008.

For the months from November 2008 through December 2009, you received the scheduled benefit of \$2,703.34 per month.

Effective January 2010, your benefit was properly reduced to the age 62 amount. RSD informed you of this reduction in advance, in its letter dated October 26, 2009. From January 2010 to April 2010, you received \$1,846.34 per month.

In or around May 2010, RSD determined that your average final compensation (AFC) at retirement should have been greater by \$470.08 (i.e., your AFC should have been \$51,470.06 rather than \$50,999.98). Based on this information, RSD found that your retirement benefit should have been greater by \$17.90 per month (1.82 percent times \$470.08 times 25.1 divided by 12). In April 2010, RSD issued you a check equal to \$322.20 in order to make this retroactive adjustment to your benefit dating back to your effective date of retirement. (You had by that time received 18 monthly payments for November 2008 through April 2010, and  $\$17.90 \times 18$  is equal to \$322.20.)

Page 3

Once your retirement benefit was recalculated in May 2010, RSD erroneously restored your benefit to the "before age 62" amount under Option Four, even though you had attained age 62 by that time. Your monthly benefit in May 2010 should have increased by \$17.90 per month from the recalculation, from \$1,846.34 to \$1,864.24. Instead, you began receiving your "before age 62" amount plus \$17.90, or \$2,721.24 per month. This excess payment was then carried forward to all future payments until July 2018, as follows:

(A) Month(s)	(B) Num. of Payments	(C) Monthly Paid	(D) Amt. That Should Have Been Paid	(E) Overpayment: (B) x [(C)-(D)]	(F) Comment
May 2010- June 2012	26	\$2,721.24	\$1,864.24	\$22,282.00	See prior paragraph
July 2012- July 2014	25	\$2,748.45	\$1,882.88	\$21,639.25	General Assembly granted 1% COLA effective July 2012
Aug. 2014	1	\$2,803.41	\$1,920.54	\$882.87	General Assembly granted 1% COLA retroactive to July 2014; e.g. for Column D, $\$1,882.88 \times 1.01 =$ $\$1,901.71$ ongoing; retroactive July COLA = $\$18.83$ ; $\$1,901.71 + \$18.83$ $= \$1,920.54$
Sep. 2014- Sep. 2016	25	\$2,775.93	\$1,901.71	\$21,855.50	Equal to Aug. 2014 but without the retroactive July 2014 COLA
Oct. 2016	1	\$3,308.91	\$2,266.84	\$1,042.07	General Assembly granted one-time supplement equal to 1.6% of annual benefit; e.g. for Column D, $\$1,901.71 + 1.6\% \times (12 \times$ $\$1,901.71) = \$2,266.84$
Nov. 2016- June 2017	8	\$2,775.93	\$1,901.71	\$6,993.76	Equal to Oct. 2016 but without the one-time supplement
July 2017- July 2018	13	\$2,803.69	\$1,920.73	\$11,478.48	General Assembly granted 1% COLA effective July 2017
<b>Total</b>				<b>\$86,173.93</b>	<b>Total overpayment from all rows above</b>

The overpayment balance does not include interest adjustments, because RSD does not apply interest to overpaid amounts.



Page 4

In a letter dated August 16, 2018, RSD informed you that your monthly benefit would be reduced to the amount that should have been in payment as of August 2018, reflecting all applicable COLAs since your retirement date. Since August 2018, your retirement allowance has been equal to \$1,920.73 per month, with the exception of October 2018, when the payment included a one-time supplement granted by the General Assembly. The same letter of August 16, 2018, informed you that RSD was reviewing your account and would contact you regarding any overpayment that may have occurred. In a letter dated November 5, 2018, RSD informed you that the review of your account was continuing. In a letter dated February 22, 2019, RSD informed you of the amount of the overpayment, as shown above.

#### Duty to Recover Overpayment

RSD must seek repayment of the full amount of the overpayment that you received from TSERS by all lawful means available. N.C.G.S. § 143-64.80(b) states: "No State department, agency, or institution, or other State-funded entity may forgive repayment of an overpayment of State funds, but shall have a duty to pursue the repayment of State funds by all lawful means available, including the filing of a civil action in the General Court of Justice."

State law provides that RSD may apply all or part of any continuing retirement allowance toward satisfaction of an overpayment, a method known as "recoupment". Recoupment is a lawful means available to RSD for seeking repayment. N.C.G.S. § 135-9(b) states:

"Notwithstanding any provisions to the contrary, any overpayment of benefits or erroneous payments to a member in a State-administered retirement system or the former Disability Salary Continuation Plan or the Disability Income Plan of North Carolina, including any benefits paid to, or State Health Plan premiums or claims paid on behalf of, any member or beneficiary who is later determined to have been ineligible for those benefits or unentitled to those amounts, may be offset against any retirement allowance, return of contributions or any other right accruing under this Chapter to the same person, the person's estate, or designated beneficiary."

#### Terms of Repayment

RSD must seek repayment of the full amount of the overpayment. RSD has indicated to you that it will seek repayment through the process of recoupment. Although recoupment up to the full amount of the retirement allowance would be permitted, RSD has chosen to limit the recoupment to 50 percent of your total retirement allowance as of February 2019, after deductions for federal taxes and supplemental insurance premiums. The February 2019 retirement allowance (\$1,920.73), after deductions for federal taxes (\$23.77) and supplemental insurance premiums (\$44.26), is \$1,852.70. Half of this amount is \$926.35, which is the amount to be deducted from your retirement allowance beginning in April 2019. If this monthly deduction is continued with no changes, the overpayment can be expected to be satisfied within eight years.



Page 5

Final Agency Decision

This is our Final Agency Decision in this matter. Should you be aggrieved by this decision and desire to appeal, a petition for contested case hearing should be filed with the Office of Administrative Hearings ("OAH") at 1711 New Hope Church Road, Raleigh, NC 27609. A copy of a blank petition (H-06 General Petition Form) may be obtained from OAH's website at [www.oah.state.nc.us](http://www.oah.state.nc.us), along with the instructions on how to complete the aforementioned form. Your petition must be filed within sixty (60) days from the receipt of this letter. If you have additional questions, please contact our Division at 3200 Atlantic Avenue, Raleigh, NC 27604, or by toll-free telephone at (877) 627-3287.

Regards,



Patrick Kinlaw  
Director of Policy, Planning, and Compliance  
Retirement Systems Division

## Patrick Kinlaw

---

**From:** Valerie Bateman <valerie.bateman@forrestfirm.com>  
**Sent:** Thursday, April 18, 2019 11:05 AM  
**To:** Patrick Kinlaw; Steven.toole@nctreasurer.com  
**Cc:** patsylynne3@gmail.com; btalley06@gmail.com  
**Subject:** RE: Retirement System Appeal Process

Dear Mr. Kinlaw:

Thank you for your email. I am representing Ms. Talley in this matter.

Please consider Mr. Talley's letter of April 8 as an appeal on behalf of his mother with regard to the decision of the Retirement System Division's (RSD) decision, communicated in a letter dated March 19, 2019, that she was overpaid in the amount of \$86,173.93, and that the RSD intended to collect the alleged overpayment in monthly deductions to her retirement check, beginning this month (April) in the amount of \$926.35.

We are requesting that until this matter is resolved that the RSD hold in abatement any deductions to Mrs. Talley's retirement check because a deduction in that amount will cause a significant hardship to her, due to pre-existing financial obligations she will be unable to meet if the RSD deducts that amount from her check.

Best wishes,

Valerie Bateman

---

**FORRESTFIRM**

**VALERIE BATEMAN | Attorney**

406 Blackwell St., Ste 420  
Durham, NC 27701  
(919) 436-3592 [phone + fax]  
[valerie.bateman@forrestfirm.com](mailto:valerie.bateman@forrestfirm.com) | [www.forrestfirm.com](http://www.forrestfirm.com)

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**From:** Patrick Kinlaw <Patrick.Kinlaw@nctreasurer.com>  
**Sent:** Thursday, April 18, 2019 8:33 AM  
**To:** btalley06@gmail.com

Cc: patsylynne3@gmail.com; Valerie Bateman <valerie.bateman@forrestfirm.com>  
Subject: Retirement System Appeal Process

Dear Mr. Talley:

Your e-mail dated April 8, titled "Retirement error", was forwarded to my attention.

The process for appealing administrative actions of the Retirement Systems Division is to have your mother (as the member of the Retirement System), or her legal representative (with a statement of representation), send a letter by mail or e-mail. You can address it to me at the mailing address below (or this e-mail address). Alternately, if you prefer, you may send it to Steven C. Toole, Executive Director of the Retirement Systems Division, at the mailing address below.

The letter should describe the action(s) of the Retirement Systems Division that your mother is appealing for further administrative review. It could be as simple as requesting that we consider your letter of April 8 as an appeal on her behalf.

The administrative review will typically result in our office issuing a Final Agency Decision, which would describe further appeal rights should the member be aggrieved.

Regards,

Patrick Kinlaw  
Director of Policy, Planning, and Compliance  
Retirement Systems Division  
3200 Atlantic Avenue  
Raleigh, NC 27604

**Patrick Kinlaw**

---

**From:** Patrick Kinlaw  
**Sent:** Thursday, April 18, 2019 8:33 AM  
**To:** 'btalley06@gmail.com'  
**Cc:** 'patsylynn3@gmail.com'; 'valerie.bateman@forrestfirm.com'  
**Subject:** Retirement System Appeal Process

Dear Mr. Talley:

Your e-mail dated April 8, titled "Retirement error", was forwarded to my attention.

The process for appealing administrative actions of the Retirement Systems Division is to have your mother (as the member of the Retirement System), or her legal representative (with a statement of representation), send a letter by mail or e-mail. You can address it to me at the mailing address below (or this e-mail address). Alternately, if you prefer, you may send it to Steven C. Toole, Executive Director of the Retirement Systems Division, at the mailing address below.

The letter should describe the action(s) of the Retirement Systems Division that your mother is appealing for further administrative review. It could be as simple as requesting that we consider your letter of April 8 as an appeal on her behalf.

The administrative review will typically result in our office issuing a Final Agency Decision, which would describe further appeal rights should the member be aggrieved.

Regards,

Patrick Kinlaw  
Director of Policy, Planning, and Compliance  
Retirement Systems Division  
3200 Atlantic Avenue  
Raleigh, NC 27604



**Jake Howe**

---

**From:** Brent Talley <btalley06@gmail.com>  
**Sent:** Monday, April 8, 2019 11:21 AM  
**To:** NCRetirement  
**Cc:** Pat; Valerie Bateman  
**Subject:** Retirement error

Mr. Folwell,

I am writing on behalf of my mother, Pat Talley, a retired teacher for the State of North Carolina. On February 22<sup>nd</sup> of this year, she was issued a letter informing her of an overpayment which had been made to her over the course of her retirement. She retired in November of 2008 and over the 10 years since her retirement, she has evidently been paid \$86,173.93 in extra compensation. This was, of course, no fault of her own and she was only made aware of the mistake this year. Shortly after the initial letter, she received a notice that the State of North Carolina would be withholding \$926.35 of her \$1,920.73 monthly benefit.

I find this decision by the State to be disturbing and morally corrupt. To remove nearly 50% of a person's income based on a mistake made by others is unfair and unjust. Especially when that someone is an elderly person on a fixed income who poured her heart and soul into teaching the young children of North Carolina. The result of this would be financially catastrophic for my mother and most likely would result in her having to utilize more resources from the State to pay her bills.

In my opinion, this mistake not being her own, is one the State should own. I understand a simple mis calculation, but to have happened for over 10 years without notice is inexcusable and suggest that the entire operation is poorly managed. At the very least, there should be an option for her to pay back through a monthly allotment that she can afford.

I hope that this letter is received well and that we can be made aware of how to fix this grave oversight by the State. We have informed our law office of the issue and are prepared to take action should this not happen correctly. However, we are hoping that this can be resolved easily and look forward to speaking with yourself or someone from your office. I will be sending a copy of this letter via certified mail as well.

Regards,

Brent Talley



**North Carolina**  
Total Retirement Plans

NORTH CAROLINA  
DEPARTMENT OF STATE TREASURER  
RETIREMENT SYSTEMS DIVISION

DALE R. FOLWELL, CPA  
STATE TREASURER OF NORTH CAROLINA

STEVEN C. TOOLE  
EXECUTIVE DIRECTOR

3/19/2019

PATSY W TALLEY  
6459 BROAD CREEK RD  
WASHINGTON NC 27889-9735

Re: PATSY W TALLEY  
Member ID [REDACTED]

Dear Ms. TALLEY:

Your overpayment balance as of 3/19/2019 is \$86,173.93. Effective with your April, 2019 benefit payment, our office will begin monthly deductions of \$926.35 to be applied to the overpayment balance.

If we may be of further assistance, please contact us at the address or telephone number listed below.

Sincerely,

*Vicki Roberts*

Vicki Roberts  
Deputy Director of Member Services  
Retirement Systems Division

621\_OPACK



STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA

*Dale R. Folwell, CPA*



## RETIREMENT SYSTEMS DIVISION

STEVEN C. TOOLE  
EXECUTIVE DIRECTOR

3/1/2019

PATSY W TALLEY

6459 BROAD CREEK RD  
WASHINGTON NC 278899735

Re: Member ID [REDACTED]

Dear TALLEY :

The North Carolina Retirement Systems Division has reviewed your account and has determined that you have received an overpayment of benefits made to you from the Retirement Systems Division, which means that you have received more money than you are eligible to receive.

In accordance with North Carolina law (North Carolina General Statute § 105A):

- A notice of your overpayment balance will be sent to the North Carolina Department of Revenue in an effort to reimburse the pension fund.
- All or part of your (current or future) North Carolina income tax refund may be withheld by the N.C. Department of Revenue and forwarded to the Retirement Systems Division to be applied to your overpayment balance.
- Any future lottery winnings will also be forwarded to the Retirement Systems Division to pay down this debt.

If you have questions or if we may be of assistance, please contact us at the address or telephone number listed below.

Sincerely,

*Theresa R. Rogers*

Theresa R. Rogers  
Member Compliance Manager  
Retirement Systems Division

310\_OPCO

3200 ATLANTIC AVENUE, RALEIGH, NORTH CAROLINA 27604  
Telephone (877) 627-3287 toll-free Fax (919) 855-5800  
[www.myncretirement.com](http://www.myncretirement.com)



North Carolina  
Total Retirement Plans

STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA

*Dale R. Folwell, CPA*



RETIREMENT SYSTEMS DIVISION

STEVEN C. TOOLE  
EXECUTIVE DIRECTOR

February 22, 2019

Patsy W. Talley  
6459 Broad Creek Rd.  
Washington, NC 27889-9735

Re: Option 4 Retirement Benefit Overpayment for Member ID [REDACTED]

Dear Ms. Talley:

The purpose of this letter is to provide follow up to my November 5, 2018 letter about the Retirement Systems Division ("RSD") review of your Teachers' and State Employees' Retirement System ("TSERS") account. RSD has completed the final review of your TSERS account related to your retirement benefit election, and this notification is to inform you of the findings.

**Age 62 Reduction Under Option 4:**

Under the provisions of Option 4 you elected at retirement, effective November 1, 2008 and based upon your date of birth of [REDACTED] your monthly retirement benefit should have been reduced effective January 1, 2010 when you were age 62. Upon discovering your benefit was not reduced accordingly, RSD reduced your monthly retirement benefit effective August 2018. Your reduced monthly benefit of \$1,920.73 includes any applicable cost-of-living adjustments to which you were entitled.

**Benefit Overpayment Amount:**

For the period of November 2008 through July 2018, you were paid a total of \$319,183.79 but you should have been paid a total of \$233,009.86. The difference in the amounts identified an overpayment of benefits for \$86,173.93. Enclosed please find the document which shows the accounting for the overpayment.

**Recoupment Plan:**

RSD intends to work with you on satisfying the overpayment in accordance with RSD's recoupment procedure. Fonda Page, a representative of RSD, will contact you to discuss a recoupment plan for the total overpayment amount. If you would like to speak with her immediately, please call (919) 814-4173. Thank you for your patience while we conducted the final review.

Sincerely,

Steven C. Toole  
Executive Director  
Retirement Systems Division

Enclosure

3200 ATLANTIC AVENUE, RALEIGH, NORTH CAROLINA 27604  
Telephone (877) 627-3287 toll-free Fax (919) 855-5800  
[www.myncretirement.com](http://www.myncretirement.com)



Patsy W. Talley Date	ID [REDACTED] Mo. Benefit	Should have been paid with applicable colas		Overpayment
		# of months	Total S/B Paid Actually Pd	
Nov. - Dec. 2008	\$2,721.24	2	\$5,442.48	\$5,406.68
Jan. - Dec. 2009	\$2,721.24	12	\$32,654.88	\$32,440.08
Jan. - Dec. 2010	\$1,864.24	12	\$22,370.88	\$29,477.48
Jan. - Dec. 2011	\$1,864.24	12	\$22,370.88	\$32,654.88
Jan. - June 2012	\$1,864.24	6	\$11,185.44	
July - Dec. 2012	\$1,882.88	6	\$11,297.28	\$32,818.14
Jan. - Dec. 2013	\$1,882.88	12	\$22,594.56	\$32,981.40
Jan. - June 2014	\$1,882.88	6	\$11,297.28	
July - Dec. 2014	\$1,901.71	6	\$11,410.26	\$33,146.28
Jan. - Dec. 2015	\$1,901.71	12	\$22,820.52	\$33,311.16
Jan. - Sept 2016	\$1,901.71	9	\$17,115.39	
Oct. 2016	\$2,266.84	1	\$2,266.84	
Nov. - Dec. 2016	\$1,901.71	2	\$3,803.42	\$33,844.14
Jan. - June 2017	\$1,901.71	6	\$11,410.26	
July - Dec. 2017	\$1,920.73	6	\$11,524.38	\$33,477.72
Jan. - July 2018	\$1,920.73	7	\$13,445.11	\$19,625.83
<b>TOTAL</b>		<b>117</b>	<b>\$233,009.86</b>	<b>\$319,183.79</b>
				<b>\$86,173.93</b>

North Carolina Retirement Systems Division  
Electronic Form: Overpayment Invoice

Invoice Type: TSERS Overpayment Invoice

Regarding

SSN: [REDACTED]

Member ID: [REDACTED]

Name: TALLEY, PATSY W

DOB: [REDACTED]

Comments: Due to member's benefit was never reduced at  
age 62.

Correspondence Address

Foreign Indicator: NO

Care Of:

Address: 6459 BROAD CREEK RD

City: WASHINGTON

State: NC

Zip: 27889-9735

Update User Id: DST\RET0267\TonjaHunt

Update Date/Time: 2/20/2019

# **OPTION FOUR (4)**

## **OVERPAYMENT CALCULATION**

### **PACKET**

# **OPTION FOUR (4)**

## **OVERPAYMENT CALCULATION**

### **PROCESS OWNER WORK PAPERS**



01  
Patsy W. Talley  
ID# [REDACTED]

Should have been paid:

$$\$2,721.24 * 14 = \$38,097.36 \text{ (108-12/09)}$$

$$\$1,864.24 * 30 = \$55,927.20 \text{ (110-6/12)}$$

$$\$1,882.88 * 24 = \$45,189.12 \text{ (7/12-6/14)}$$

$$\$1,901.71 * 36 = \$68,461.56 \text{ (7/14-6/17)}$$

$$\$1,920.73 * 13 = \$24,969.49 \text{ (7/17-7/18)}$$

\$232,644.73

$$+ \$ 365.13 \text{ (one-term bonus 10/12)}$$

\$233,009.86

$$- (\$319,183.79)$$

(\$ 86,173.93) ← O/P

✓  
matches

Ued JG 10/25/10

C1  
Patsy W Talley  
ID # [REDACTED]

COLA's.

- Retirement Date: 11/08 Initial Benefit \$2,721.24  
7/09  $\Rightarrow$  NO COLA  
1/10  $\Rightarrow$  should have been reduced to \$1,864.24  
(Opt. 4)  
7/10  $\Rightarrow$  NO COLA  
7/11  $\Rightarrow$  NO COLA  
7/12  $\Rightarrow$  \$1,864.24  $\times$  1.01 = \$1,882.88 ✓  
7/13  $\Rightarrow$  NO COLA  
7/14  $\Rightarrow$  \$1,882.88  $\times$  1.01 = \$1,901.71 ✓  
7/15  $\Rightarrow$  NO COLA  
7/16  $\Rightarrow$  NO COLA (one-time bonus 10/16)  
7/17  $\Rightarrow$  \$1,901.71  $\times$  1.01 = \$1,920.73  
7/18  $\Rightarrow$  NO COLA (one-time bonus 10/18)

10/16 one-time bonus:

\$1,901.71  $\times$  12 = \$22,820.52  $\times$  1.6% = \$365.13

✓  
JG 10/25/18

01  
Patsy W. Talley  
ID # [REDACTED]

Should have been reduced 11.0  $\Rightarrow$  \$1,864.24

### COLA's

- 7110  $\Rightarrow$  NO COLA
- 7111  $\Rightarrow$  NO COLA
- 7112  $\Rightarrow$  \$1,864.24 \* 1.01 = \$1,882.88
- 7113  $\Rightarrow$  NO COLA
- 7114  $\Rightarrow$  \$1,882.88 \* 1.01 = \$1,901.71
- 7115  $\Rightarrow$  NO COLA
- 7116  $\Rightarrow$  NO COLA (one-time bonus 10/16)
- 7117  $\Rightarrow$  \$1,901.71 \* 1.01 = \$1,920.73
- 7118  $\Rightarrow$  NO COLA (one-time bonus 10/18)

### 10/16 one-time bonus

$$\$1,901.71 * 12 = \$22,820.52 * 1.6\% = \$365.13$$

### Should have been pd:

$$\begin{aligned}
 & \$1,864.24 * 30 = \$55,927.20 \quad (1110-6/12) \\
 & \$1,882.88 * 24 = \$45,189.12 \quad (7112-6/14) \\
 & \$1,901.71 * 36 = \$68,461.56 \quad (7114-6/17) \\
 & \$1,920.73 * 13 = \$24,969.49 \quad (7117-7/18) \\
 & \quad \underline{\$194,547.37} \\
 & \quad + \$365.13 \quad (\text{one-time bonus 10/16}) \\
 & \quad \underline{\$194,912.50} \\
 & \quad - \$281,337.03 \\
 & \quad \underline{(\$86,424.53)} \quad (c/p)
 \end{aligned}$$

ORBIT - Maintain Payee - History

Page 1 of 1

Retirement System: TSERS Benefit Account Type: SVC Effective Date: 11/1/2008

Member ID: [REDACTED] Member SSN: [REDACTED] Member Name: TALLEY, PATSY W DOB: [REDACTED] DOD: [REDACTED]  
Payee Member ID: [REDACTED] Payee SSN: [REDACTED] Payee Name: TALLEY, PATSY W DOB: [REDACTED] DOD: [REDACTED]

Workflow: Member Email: patsylynn3@gmail.com  
Workflow: Payee Email: patsylynn3@gmail.com

Payee Address: (Effective 4/4/2018)  
6459 BROAD CREEK RD  
WASHINGTON, NC 27889-9735

Payee Check Address: [REDACTED]  
Check address same as mailing address.

Benefit Information:

Benefit	Current Month Gross	SGR	Taxable	Fed Tax	State Tax	Deduction	Current Month Net
\$1,920.73	\$1,920.73	\$0.00	\$1,920.73	\$26.61	\$0.00	\$45.13	\$1,848.89

Status Benefits Tax Deductions SHP-Deductions SHP-Deduction Errors Beneficiaries EFT Info EFT Print info History

Payment History

Year	Benefit			Gross		Federal Tax		State Tax		Deduction		Net
2018	\$25,618.51			\$25,618.51		\$907.25		\$0.00		\$451.30		\$24,259.95
	Payment Date	Type	Payment #	Benefit	Gross	Fed Tax	State Tax	Deduction	Net	EFT	Special	
	10/25/2018	MNTH	47581130	\$2,151.22	\$2,151.22	\$49.66	\$0.00	\$45.13	\$2,056.43	✓		
	9/25/2018	MNTH	47285982	\$1,920.73	\$1,920.73	\$26.61	\$0.00	\$45.13	\$1,848.89	✓		
	8/24/2018	MNTH	46965000	\$1,920.73	\$1,920.73	\$26.61	\$0.00	\$45.13	\$1,848.89	✓		
	7/25/2018	MNTH	46670738	\$2,803.69	\$2,803.69	\$114.91	\$0.00	\$45.13	\$2,643.65	✓		
	6/25/2018	MNTH	46326132	\$2,803.69	\$2,803.69	\$114.91	\$0.00	\$45.13	\$2,643.65	✓		
	5/25/2018	MNTH	46033654	\$2,803.69	\$2,803.69	\$114.91	\$0.00	\$45.13	\$2,643.65	✓		
	4/25/2018	MNTH	45766373	\$2,803.69	\$2,803.69	\$114.91	\$0.00	\$45.13	\$2,643.65	✓		
	3/23/2018	MNTH	45444813	\$2,803.69	\$2,803.69	\$114.91	\$0.00	\$45.13	\$2,643.65	✓		
	2/23/2018	MNTH	45117078	\$2,803.69	\$2,803.69	\$114.91	\$0.00	\$45.13	\$2,643.65	✓		
	1/25/2018	MNTH	44775354	\$2,803.69	\$2,803.69	\$114.91	\$0.00	\$45.13	\$2,643.65	✓		
1												
2017	\$33,477.72			\$33,477.72		\$1,672.56		\$0.00		\$541.56		\$31,263.60
2016	\$33,844.14			\$33,844.14		\$1,740.66		\$0.00		\$541.56		\$31,561.92
2015	\$33,311.16			\$33,311.16		\$1,670.76		\$0.00		\$543.21		\$31,097.19
2014	\$33,146.28			\$33,146.28		\$1,679.77		\$0.00		\$516.19		\$30,950.32
2013	\$32,981.40			\$32,981.40		\$1,689.48		\$0.00		\$629.44		\$30,662.50
2012	\$32,818.14			\$32,818.14		\$1,711.80		\$0.00		\$756.66		\$30,349.68
2011	\$32,654.88			\$32,654.88		\$1,753.68		\$0.00		\$593.17		\$30,308.03
2010	\$29,477.48			\$29,477.48		\$1,431.92		\$0.00		\$506.52		\$27,539.04
2009	\$32,440.08			\$32,440.08		\$1,672.90		\$0.00		\$472.64		\$30,394.54
2008	\$5,408.68			\$5,408.68		\$308.30		\$0.00		\$0.00		\$5,100.38

\$39,183.79 (gross pay)

\*pt. 1/18. 7/18

Site Map



01  
Paisy W Talley  
ID# [REDACTED]

Payment History

Year	Benefit	Gross	Federal Tax	State Tax	Deduction	Net
2018	19,625.83 \$34,546.56	\$21,546.56	\$330.00	\$0.00	\$361.04	\$20,354.54
2017	\$33,477.72	\$33,477.72	\$1,672.56	\$0.00	\$541.56	\$31,203.60
2016	\$33,844.14	\$33,844.14	\$1,740.66	\$0.00	\$541.56	\$31,561.92
2015	\$33,311.10	\$33,311.10	\$1,670.76	\$0.00	\$543.21	\$31,007.19
2014	\$33,145.28	\$33,145.28	\$1,679.77	\$0.00	\$510.19	\$30,950.32
2013	201,711.20 \$32,081.40	\$32,081.40	\$1,689.46	\$0.00	\$629.44	\$30,662.50
2012	\$32,818.14	\$32,818.14	\$1,711.80	\$0.00	\$756.66	\$30,349.68
2011	\$32,854.88	\$32,854.88	\$1,753.08	\$0.00	\$593.17	\$30,308.63
2010	\$28,477.48	\$28,477.48	\$1,431.92	\$0.00	\$506.52	\$27,539.04
2009	\$32,440.00	\$32,440.00	\$1,572.90	\$0.00	\$472.64	\$30,394.54
2008	\$5,406.68	\$5,406.68	\$306.30	\$0.00	\$0.00	\$5,100.38

was pd. \$281,337.03

01  
Potter W Talley  
ID# [REDACTED]

Payment History

Year	Benefit		Gross	Federal Tax	State Tax	Deduction		Net			
2018	\$21,546.56		\$21,546.56	\$930.98	\$0.00	\$361.04		\$20,354.54			
	Payment Date	Type	Payment #	Benefit	Gross	Fed Tax	State Tax	Deduction	Net	EFT	Special
	8/24/2018	MONTH	46965000	\$1,920.73	\$1,920.73	\$26.61	\$0.00	\$45.13	\$1,848.99	✓	
	7/25/2018	MONTH	46670738	\$2,803.69	\$2,803.69	\$114.91	\$0.00	\$45.13	\$2,643.65	✓	
	6/25/2018	MONTH	46326132	\$2,803.69	\$2,803.69	\$114.91	\$0.00	\$45.13	\$2,643.65	✓	
	5/25/2018	MONTH	46033054	\$2,803.69	\$2,803.69	\$114.91	\$0.00	\$45.13	\$2,643.65	✓	
	4/25/2018	MONTH	45766373	\$2,803.69	\$2,803.69	\$114.91	\$0.00	\$45.13	\$2,643.65	✓	
	3/23/2018	MONTH	4544813	\$2,803.69	\$2,803.69	\$114.91	\$0.00	\$45.13	\$2,643.65	✓	
	2/23/2018	MONTH	45117078	\$2,803.69	\$2,803.69	\$114.91	\$0.00	\$45.13	\$2,643.65	✓	
	1/25/2018	MONTH	44775354	\$2,803.69	\$2,803.69	\$114.91	\$0.00	\$45.13	\$2,643.65	✓	

\$21,546.56  
- \$1,920.73 (olis)  
\$19,625.83 (through 7/18)

~~slb to age 62~~

11/2008 - 12/09

$$2721.24 \times 14 = 38,097.36$$

38,097.36 ← slb pd to 62 (11/08-12/09)

194,912.50 ← slb pd @ 62 (1/10 - 7/18)

233,009.86 → slb pd.

+ 1 time colla 10/16

- 319,183.79 → was pd

\$ 86,173.93

01  
Patsy W Talley  
ID # [REDACTED]  
\* Opt 4 reduced  
11/10

ORBIT - Recalculate Retirement - Windows Internet Explorer

ORBIT Online Retirement Benefits through Integrated Technology

Recalculate Retirement

Member: Talley, William G. Employer: Common Admin Help

Retirement Type: SVC - Service Retirement  
Retirement Date: 11/1/2008  
Member Date of Birth: [REDACTED]  
Beneficiary Name: William G Talley, Jr.  
Beneficiary Date of Birth: [REDACTED]

Average Final Compensation: (A) \$51,470.06  
Accrual Rate: (B) 0.0182  
Years of Service: (C) 25.1000  
Maximum possible STG benefit: (A) \* (B) \* (C) \$23,512.55

Total Annual Benefit: (D) \$23,512.55  
Early Retirement Factor: (E) 1.000000 (using 25.1000 yrs and 60y10m age)  
Maximum Annual Benefit: (D) \* (E) \$23,512.55

Override Early Retirement Factor ☐

Selected Retirement Option: OPT4 - Option Four

Recalculated Monthly Benefit Payments

Option	Monthly Benefit	Survivor Benefit	Total Amount	Option Factor
Option Four before age 62	\$2,721.24	\$0.00	\$2,721.24	0.8889
Option Four after age 62	\$1,864.24	\$0.00	\$1,864.24	0.8889

Original Monthly Benefit Payment Information

Option	Monthly Benefit	Survivor Benefit	Total Amount	Option Factor
Option Four	\$1,846.34	N/A	\$1,846.34	0.8889
Option Four	\$1,846.34	N/A	\$1,846.34	0.8889

Submit

Preview Estimate Letter

$$\begin{array}{r} 2,721.24 \text{ (11/08-12/09)} \\ - 2,703.34 \\ \hline 17.90 \\ * 14 \\ \hline 250.60 \end{array}$$

$$\begin{array}{r} 1,864.24 \text{ (11/10-4/10)} \\ - 1,846.34 \\ \hline 17.90 \\ * 4 \\ \hline 71.60 \end{array}$$

$$\begin{array}{r} 2,721.24 \rightarrow \text{Current Mo. Benefit} \\ 2,721.24 \rightarrow \text{Initial Mo. Benefit} \\ 1.0000 \rightarrow \text{COLA Adj. Factor} \\ * 1,864.24 \rightarrow \text{Initial Age 62} \\ 1,864.24 \rightarrow \text{New Mo. Benefit} \\ \text{After 62 eff 11/10} \end{array}$$

$$\begin{array}{r} \text{Total Retro} \\ 250.60 \\ + 71.60 \\ \hline 322.20 \end{array}$$

Friday, Apr 23, 2010 08:42 AM



OPDIPWKS

DIPNC OVER/UNDER PAYMENT WORKSHEET

Member's Name

Patsy Talley

Mem ID#

Overpayment due to

Not being reduced at age 62

Effective Date of ~~Ret~~ Ret

11/01/08

Entitlement Date of

01/01/10

OP Start Date

01/00/00

OP End Date

01/00/00

Worked By:

ig

QC By:

Total Amount Actually Paid

\$319,183.79

Total Amount Should Have Paid

\$233,009.86

Gross Overpayment

\$86,173.93

Less Credits (Other Inv., Att. Fees)

Gross Overpayment

\$86,173.93

Amount Actually Paid

Amount Should Have Paid

2008	\$5,406.68	\$5,442.48
2009	\$32,440.08	\$32,654.88
2010	\$29,477.48	\$22,370.88
2011	\$32,654.88	\$22,370.88
2012	\$32,818.14	\$22,482.72
2013	\$32,981.40	\$22,594.56
2014	\$33,146.28	\$22,707.54
2015	\$33,311.16	\$22,820.52
2016	\$33,844.14	\$23,185.65
2017	\$33,477.72	\$22,934.64
2018	\$19,625.83	\$13,445.11
0	\$0.00	\$0.00

✓  
Matches  
Talley's  
c/p amt.  
JB  
10/23/18

Wednesday, Oct 24, 2018 02:51 PM

Ret Date	10/01/2000
Retro End Date	4/2/2017
Actually Paid (Prior to Recal):	\$0.00
Should Have Paid (After Recal):	\$281,013.23
<u>Retro Due:</u>	<u>\$281,013.23</u>

	Rel Yr Total		
		12	\$0.00
		12	\$0.00
		12	\$0.00
		12	\$0.00
		12	\$0.00
		12	\$0.00
		12	\$0.00
		12	\$0.00
		12	\$0.00
		12	\$0.00
		12	\$0.00
		12	\$0.00
C-8	\$21,769.02	12	\$0.00
		12	\$32,654.88
		12	\$32,654.88
		12	\$32,681.43
		12	\$32,681.43
		12	\$33,311.24
		12	\$33,311.24
		12	\$33,311.24
		10	\$26,036.96
		0	\$0.00
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		0	\$0.00
		0	\$0.00
		0	\$0.00

Cola Date Range	Actual Ref Date	Effective Date				
Jul-1996 Jun-1997		7/1/1997		\$0.00	1.002000	\$0.20
Jul-1997 Jun-1998		7/1/1998		\$0.00	1.025000	\$0.00
Jul-1998 Jun-1999		7/1/1999		\$0.00	1.023000	\$0.00
Jul-1999 Jun-2000		7/1/2000		\$0.00	1.042000	\$0.00
Jul-2000 Jun-2001		7/1/2001		\$0.00	1.020000	\$0.00
Jul-2001 Jun-2002		7/1/2002		\$0.00	1.020000	\$0.00
Jul-2002 Jun-2003		7/1/2003		\$0.00	1.012000	\$0.00
Jul-2003 Jun-2004		7/1/2004		\$0.00	1.017000	\$0.00
Jul-2004 Jun-2005		7/1/2005		\$0.00	1.020000	\$0.00
Jul-2005 Jun-2006		7/1/2006		\$0.00	1.030000	\$0.00
Jul-2006 Jun-2007		7/1/2007		\$0.00	1.022000	\$0.00
Jul-2007 Jun-2008		7/1/2008		\$0.00	1.022000	\$0.00
Jul-2008 Jun-2009	11/1/2008	11/1/2008	\$2,721.24	\$2,721.24	1.000000	\$2,721.24
Jul-2009 Jun-2010		7/1/2010		\$2,721.24	1.000000	\$2,721.24
Jul-2010 Jun-2011		7/1/2011		\$2,721.24	1.000000	\$2,721.24
Jul-2011 Jun-2012		7/1/2012		\$2,721.24	1.010000	\$2,746.45
Jul-2012 Jun-2013		7/1/2013		\$2,746.45	1.000000	\$2,746.45
Jul-2013 Jun-2014		7/1/2014		\$2,746.45	1.010000	\$2,775.94
Jul-2014 Jun-2015		7/1/2015		\$2,775.94	1.000000	\$2,775.94
Jul-2015 Jun-2016		7/1/2016		\$2,775.94	1.000000	\$2,775.94
Jul-2016 Jun-2017		7/1/2017		\$2,775.94	1.010000	\$2,803.70
Jul-2017 Jun-2018		7/1/2018		\$2,803.70		\$0.00
Jul-2018 Jun-2019		7/1/2019		\$0.00		\$0.00
Jul-2019 Jun-2020		7/1/2020		\$0.00		\$0.00
Jul-2020 Jun-2021		7/1/2021		\$0.00		\$0.00
Jul-2021 Jun-2022		7/1/2022		\$0.00		\$0.00
Jul-2022 Jun-2023		7/1/2023		\$0.00		\$0.00
Jul-2023 Jun-2024		7/1/2024		\$0.00		\$0.00
Jul-2024 Jun-2025		7/1/2025		\$0.00		\$0.00
Jul-2025 Jun-2026		7/1/2026		\$0.00		\$0.00
Jul-2026 Jun-2027		7/1/2027		\$0.00		\$0.00
Jul-2027 Jun-2028		7/1/2028		\$0.00		\$0.00

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A	B	C	E	F	G	H	I
Jul-1996	Jun-1997		7/1/1997		\$0.00	1.062000	\$0.00
Jul-1997	Jun-1998		7/1/1998		\$0.00	1.025000	\$0.00
Jul-1998	Jun-1999		7/1/1999		\$0.00	1.023000	\$0.00
Jul-1999	Jun-2000		7/1/2000		\$0.00	1.042000	\$0.00
Jul-2000	Jun-2001		7/1/2001		\$0.00	1.020000	\$0.00
Jul-2001	Jun-2002		7/1/2002		\$0.00	1.020000	\$0.00
Jul-2002	Jun-2003		7/1/2003		\$0.00	1.012800	\$0.00
Jul-2003	Jun-2004		7/1/2004		\$0.00	1.017000	\$0.00
Jul-2004	Jun-2005		7/1/2005		\$0.00	1.020000	\$0.00
Jul-2005	Jun-2006		7/1/2006		\$0.00	1.030000	\$0.00
Jul-2006	Jun-2007		7/1/2007		\$0.00	1.022000	\$0.00
Jul-2007	Jun-2008		7/1/2008		\$0.00	1.022000	\$0.00
Jul-2008	Jun-2009	11/1/2008	11/1/2008	\$1,864.24	\$1,864.24	1.000000	\$1,864.24
Jul-2009	Jun-2010		7/1/2010		\$1,864.24	1.000000	\$1,864.24
Jul-2010	Jun-2011		7/1/2011		\$1,864.24	1.000000	\$1,864.24
Jul-2011	Jun-2012		7/1/2012		\$1,864.24	1.010000	\$1,882.88
Jul-2012	Jun-2013		7/1/2013		\$1,882.88	1.000000	\$1,882.88
Jul-2013	Jun-2014		7/1/2014		\$1,882.88	1.010000	\$1,901.71
Jul-2014	Jun-2015		7/1/2015		\$1,901.71	1.000000	\$1,901.71
Jul-2015	Jun-2016		7/1/2016		\$1,901.71	1.000000	\$1,901.71
Jul-2016	Jun-2017		7/1/2017		\$1,901.71	1.010000	\$1,920.73
Jul-2017	Jun-2018		7/1/2018		\$1,920.73		\$0.00
Jul-2018	Jun-2019		7/1/2019		\$0.00		\$0.00
Jul-2019	Jun-2020		7/1/2020		\$0.00		\$0.00
Jul-2020	Jun-2021		7/1/2021		\$0.00		\$0.00
Jul-2021	Jun-2022		7/1/2022		\$0.00		\$0.00
Jul-2022	Jun-2023		7/1/2023		\$0.00		\$0.00
Jul-2023	Jun-2024		7/1/2024		\$0.00		\$0.00
Jul-2024	Jun-2025		7/1/2025		\$0.00		\$0.00
Jul-2025	Jun-2026		7/1/2026		\$0.00		\$0.00
Jul-2026	Jun-2027		7/1/2027		\$0.00		\$0.00
Jul-2027	Jun-2028		7/1/2028		\$0.00		\$0.00
#N/A							
#N/A							
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Monday, Oct 22, 2018 03:29 PM

# **OPTION FOUR (4)**

## **OVERPAYMENT CALCULATION**

### **COMPLIANCE AUDIT WORK PAPERS**

#### **Order of Compliance Work Papers**

- 1. Compliance Manager's Detail Review Summary**
- 2. OP Option 4 Review Sheet**
- 3. Excel spreadsheet OP Calculation by Month/Year**
- 4. ORBIT Screen Shots**
- 5. Supporting documents from AX and ORBIT**



**Patsy W Talley (# [REDACTED])**

- On October 16, 2008, RSD received member Talley's notarized 6E electing Option Four (4).
- Effective Retirement Date – November 1, 2008.
- Per ORBiT data, RSD paid member Talley's first TSERS retirement benefit November 25, 2008.
- Per OPT 4 election, the member's monthly TSERS retirement benefit amount should have been reduced January 2010.
- RSD mailed member Talley a "Now that you have reached the age 62..." letter dated October 26, 2009. The letter listed her previous monthly benefit of \$2,703.34 and her new benefit as of January 1, 2010 as \$1,846.34.
- The Option 4 Leveling batch job for members who were to be reduced January 2010 should have run December 2009. Per ORBiT on December 21, 2009 at 9:43:21 PM, an Opt 4- Option 4 Leveling batch job was successfully run.

Batch Steps:						
Step	Description	Scheduled	Step Status	Action Date/Time	Set to Run?	
CALC	OPTION 4	12/21/2009	SUCCESS	12/21/2009 9:43:21 PM	N	

- RSD mailed member Talley a "Now that you have reached the age 62..." letter dated December 21, 2009. The letter listed her previous monthly benefit of \$2,703.34 and her new benefit as of January 1, 2010 as \$1,846.34.

**Member Name: TALLEY, PATSY W**

Payee Benefit Information						
Benefit Type	Benefit	Status	Method	Begin	End	
BNF - Retirement Benefit	\$1,846.34	Active	Ongoing	8/18/2018		
BNF - Retirement Benefit	\$2,803.89	Inactive	Ongoing	7/17/2017	8/16/2018	
BNF - Retirement Benefit	\$2,775.93	Inactive	Ongoing	8/14/2014	6/30/2017	
BNF - Retirement Benefit	\$2,748.45	Inactive	Ongoing	7/19/2012	6/30/2014	
BNF - Retirement Benefit	\$2,721.24	Inactive	Ongoing	5/1/2010	6/30/2012	
BNF - Retirement Benefit	\$1,846.34	Inactive	Ongoing	1/1/2010	5/1/2010	
BNF - Retirement Benefit	\$2,703.34	Inactive	Ongoing	11/1/2008	6/30/2012	
COLAR - Cost of Living Adjustment Retro	\$27.48	Inactive	One Time	8/1/2014		
COLAS - Cost of Living Adjustment Supplemental	\$230.49	Inactive	One Time	10/1/2018		
COLAS - Cost of Living Adjustment Supplemental	\$532.98	Inactive	One Time	10/1/2018		

- January through April of 2010, member Talley received the "AFTER AGE 62 AMOUNT" TSERS retirement benefit of \$1,846.34.

✓  
Bfeller  
2/4/19

- On April 22, 2010, a workflow was created to requesting a recalculation of member Talley's retirement benefit.

North Carolina Retirement Systems Division  
Electronic Form: Create Request

Request Type: RECALC  
Category: RETIRE-IMP  
Contact Type: PNDINT  
Action Type:  
Action Date:  
Comments: Please recalculate retirement b/c more money was reported.

Call-er Information:  
Name: PATSY TALLEY  
Contact Phone Number: (252) 975-1997  
Contact Email: ptalley@ncdncr.org  
Relationship: RSDINT

Regarding:  
SSN: [REDACTED]  
Name: TALLEY, PATSY W  
DOB: [REDACTED]  
DOB:  
System: TSERS

Correspondence Address:  
Mail To:  
Line 1: 531 W 2ND ST  
Line 2:  
City: WASHINGTON  
State: DC  
ZIP Code: 20540  
Out of Country:

Create User ID: DSTRET0273JillGiddens  
Create Date/Time: 4/22/2010

- Beginning May of 2010, RSD set up member Talley's TSERS retirement benefit to resume the "BEFORE AGE 62 AMOUNT" of \$2,721.24.

**Member Name: TALLEY, PATSY W**

Benefit Information:	
Type:	* Retirement Benefit
Benefit:	* 2721.24
Status:	* Inactive ✓
Method:	* Ongoing ✓
Begin Date:	* 5/1/2010
End Date:	* 6/30/2012
Update User Id:	BATCHJOBICOLA:APPR
Update Date/Time:	7/19/2012 6:15:51 PM
Creator User Id:	DSTRET0273JillGiddens
Created Date/Time:	4/23/2010 11:48:30 AM

- Due to 2018 audit findings, the process owner reduced member Talley's monthly TSERS retirement benefit to the "AFTER AGE 62 AMOUNT" amount of \$1,920.73 effective August 1, 2018.
- On August 16, 2018, ORBiT generated a "Please let us explain why your benefit has changed" letter. This letter-listed member Talley's new monthly benefit as \$1,920.73 effective August 1, 2018.

- Member Talley's overpayment period was calculated for the period of 117 months (November 2008 through July 2018)
  - *Balancing accounts for money changes, ORBiT is designed to go back to the retirement date to balance the retirement account)*
- For the period of November 2008 through July 2018, member Talley should have been paid \$233,009.86 but was paid \$319,183.79.
- Total funds overpaid result in an overpayment of \$86,173.93.

Note: Member Talley's monthly TSERS retirement benefit changed due to an increase in her AFC from \$50,999.88 to \$51,470.06. RSD paid member Talley a retro check for \$322.20 on April 27, 2010, based on the "BEFORE AGE 62 AMOUNT".



## Option 4 Overpayment (OP) Review

### General Information:

Member's Name: Patsy W. Talley System: TSEERS Mbr. ID: [REDACTED]  
Ret. Date 11/1/08 DOB: [REDACTED] Option Elected (per Form 6E) Opt. 4 1947  
Mo/Yr Opt. 4 should have been reduced: Jan. 2010 ✓ 2008 11 1 +62  
Mo/Yr Opt. 4 actually was reduced: Jan. 2010 -1947 12 31 2009  
(See Comments Below) 60 10 0  
Initial Gross Amt. of Opt. 4 at ret. before Money Changes: \$2703.34  
Actual TO AGE 62 Amt. of Option 4 at ret. after Money Changes: \$2721.24  
Actual AFTER AGE 62 Amt. of Option 4: \$1864.24

### Overpayment (OP) Period:

COLAS Verified: Yes ☒ No ☐

One-Time Bonus included in amt. should have been paid: Yes ☒ No ☐ NA ☐

Mo/Yr. Reduced with applicable Colas: Aug 2018 Mo. Gross Amt. \$1920.73  
O/P Time Period: NOV. 2008 through July 2018 { ORBIT designed to go all the way back to Ret Dates when balances  
O/P Time Period: \_\_\_\_\_ through \_\_\_\_\_  
Gross Amt. Paid from NOV. 2008 through July 2018 \$319,183.79  
Gross Amt. Should Have been paid from: 11/08 through 7/18 \$233,009.86  
# of Months of OP: 117 ✓ Total OP Amt. \$86,173.93

**Comments:** Ms. Talley was reduced under Opt. 4 provisions the month following her 62<sup>nd</sup> BD (eff. 1/1/2010) however in May 2010, benefit increased to \$2721.24 - pre 62 Amt - w/ colas - O/P occurred

**Note:**  
mo. benefit changed due to increase in AFC from \$50,999.88 to \$51,470.06. RSD paid "catch up" retro check in Amt. of \$322.20 on 4/27/10

### Attachments to this Review:

Estimate Sheet: Yes ☒ No ☐ 3 pages from ORBIT  
ORBIT Pay Screen: Yes ☒ No ☐ 2 pages

Other: (if applicable):

Est. sheet after AFC increased  
1 page Summary Sheet

Betty Fuller  
Reviewed by

Date:

TR1/30/19  
(Initially reviewed 11/29/18 but this wk sheet was redone)

Law change: eff. 1/1/2015: Opt. 4 reduction is 1<sup>st</sup> of the month following the month of initial entitlement. Ex: DOB 9/8/1953 AGE 62 Red. is 11/1/2015. Prior to 1/1/2015, Opt 4 red. was month following age 62. If DOB was 1<sup>st</sup> of the month, Option 4 reduction was the month in which one turned age 62.



Patsy W. Talley Date	ID [REDACTED] Mo. Benefit	Should have been paid with applicable colas			Overpayment
		# of months	Total S/B Paid	Actually Pd	
Nov. - Dec. 2008	\$2,721.24	2	\$5,442.48	\$5,406.68 ✓	
Jan. - Dec. 2009	\$2,721.24	12	\$32,654.88	\$32,440.08 ✓	
Jan. - Dec. 2010	\$1,864.24	12	✓ \$22,370.88	\$29,477.48 ✓	
Jan. - Dec. 2011	\$1,864.24	12	\$22,370.88	\$32,654.88 ✓	
Jan. - June 2012	\$1,864.24	6	\$11,185.44		
July - Dec. 2012	\$1,882.88	6	\$11,297.28	\$32,818.14 ✓	
Jan. - Dec. 2013	\$1,882.88	12	\$22,594.56	\$32,981.40 ✓	
Jan. - June 2014	\$1,882.88	6	\$11,297.28		
July - Dec. 2014	\$1,901.71	6	\$11,410.26	\$33,146.28 ✓	
Jan. - Dec. 2015	\$1,901.71	12	✓ \$22,820.52	\$33,311.16 ✓	
Jan. - Sept 2016	\$1,901.71	9	\$17,115.39		
Oct. 2016	\$2,266.84	1	\$2,266.84		
Nov. - Dec. 2016	\$1,901.71	2	\$3,803.42	\$33,844.14 ✓	
Jan. - June 2017	\$1,901.71	6	\$11,410.26		
July - Dec. 2017	\$1,920.73	6	✓ \$11,524.38	\$33,477.72 ✓	
Jan. - July 2018	\$1,920.73	7	\$13,445.11	\$19,625.83	
<b>TOTAL</b>		<b>117</b>	<b>\$233,009.86 ✓</b>	<b>\$319,183.79 ✓</b>	<b>\$86,173.93</b>

*B Fuller  
11/29/19  
originally  
worked manually  
and balanced on  
11/29/18  
Re Keyed on  
11/29/19 to  
Excel  
spreadsheet*

Summary of Payment of History – Patsy W. Talley – ID [REDACTED]

Payment Date	Type	Payment #	Benefit	Gross
1/25/2010	MNTH	19599438	\$1,846.34	\$1,846.34

Reduced at age 62 but  
then no. benefit was increased  
5/2010 -

Payment Date	Type	Payment #	Benefit	Gross
12/20/2010	MNTH	22090086	\$2,721.24	\$2,721.24
11/24/2010	MNTH	21842865	\$2,721.24	\$2,721.24
10/25/2010	MNTH	21622734	\$2,721.24	\$2,721.24
9/24/2010	MNTH	21410302	\$2,721.24	\$2,721.24
8/25/2010	MNTH	21188771	\$2,721.24	\$2,721.24
7/23/2010	MNTH	20964297	\$2,721.24	\$2,721.24
6/25/2010	MNTH	20724841	\$2,721.24	\$2,721.24
5/25/2010	MNTH	20501698	\$2,721.24	\$2,721.24
4/27/2010	RETRO	3161365	\$322.20	\$322.20
4/23/2010	MNTH	20298263	\$1,846.34	\$1,846.34
3/25/2010	MNTH	20042943	\$1,846.34	\$1,846.34
2/25/2010	MNTH	19824412	\$1,846.34	\$1,846.34

Age 62 = 1/1/2010

→ Increased after age 62  
O/P occurred

11/21/2018	MNTH	47925031	\$1,920.73	\$1,920.73
10/25/2018	MNTH	47581130	\$2,151.22	\$2,151.22
9/25/2018	MNTH	47285982	\$1,920.73	\$1,920.73
8/24/2018	MNTH	46965000	\$1,920.73	\$1,920.73
7/25/2018	MNTH	46670738	\$2,803.69	\$2,803.69
6/25/2018	MNTH	46326132	\$2,803.69	\$2,803.69
5/25/2018	MNTH	46033654	\$2,803.69	\$2,803.69
4/25/2018	MNTH	45766373	\$2,803.69	\$2,803.69
3/23/2018	MNTH	45444813	\$2,803.69	\$2,803.69
2/23/2018	MNTH	45117078	\$2,803.69	\$2,803.69
1/25/2018	MNTH	44775354	\$2,803.69	\$2,803.69

Aug. 2018 was the new  
after age 62 Amt  
\$1920.73 with  
applicable COLAs

Summary of Payment of History – Patsy W. Talley – ID [REDACTED]

Payment History

	Year	Benefit	Gross
⌚	2019	\$1,920.73	\$1,920.73
⌚	2018	\$29,459.97	\$29,459.97
⌚	2017	\$33,477.72	\$33,477.72
⌚	2016	\$33,844.14	\$33,844.14
⌚	2015	\$33,311.16	\$33,311.16
⌚	2014	\$33,146.28	\$33,146.28
⌚	2013	\$32,981.40	\$32,981.40
⌚	2012	\$32,818.14	\$32,818.14
⌚	2011	\$32,654.88	\$32,654.88
⌚	2010	\$29,477.48	\$29,477.48
⌚	2009	\$32,440.08	\$32,440.08
⌚	2008	\$5,406.68	\$5,406.68

Payment Date	Type	Payment #	Benefit	Gross
12/19/2008	MNTH	16897811	\$2,703.34	\$2,703.34
11/25/2008	MNTH	2979346	\$2,703.34	\$2,703.34

11/1/08 = Ret. month



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www.myncretirement.com

**Report of Your Estimated Retirement Benefit**  
Teachers' and State Employees' Retirement System (TSERS)

**Section A. Retirement Identification**

TALLEY, PATSY W ✓  
6459 BROAD CREEK RD  
WASHINGTON, NC 27889-9735

SSN: [REDACTED]  
Member ID: [REDACTED]  
Beneficiary Name: TALLEY, JR, WILLIAM G  
Beneficiary Birth Date: [REDACTED]

Retirement Date: 11/1/2008  
Retirement Type: Service Retirement  
Member Birth Date: [REDACTED]  
Sick Leave: 44.3600 DAYS

*old AFC*

**Section B. Calculation Information**

AVERAGE FINAL COMPENSATION:	(A)	\$50,999.88 (STG)
Accrual Rate:	(B)	0.0182
Years of Service:	(C)	25.1000
Maximum possible STG benefit:	(A) * (B) * (C)	\$23,297.77
Total Annual Benefit:	(D)	\$23,297.77
Early Retirement Factor:	(E)	1.0000
Maximum Annual Benefit:	(D) * (E)	\$23,297.77

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ID # [REDACTED]  
Patsy W. Talley

**Section C. Available Payment Options**

Option	Monthly Benefit	Survivor Benefit
Maximum Allowance	\$1,941.48	\$0.00
Option 2 - 100% survivorship	\$1,649.29	\$1,649.29
Option 3 - 50% survivorship	\$1,783.44	\$891.72
* Option 4 - Social Security Leveling <u>After Age 62</u>	\$1,846.34	\$0.00
* Option 4 - Social Security Leveling <u>To Age 62</u>	\$2,703.34	\$0.00
Option 6-2 - Modified 100% survivorship	\$1,611.82	\$1,611.82
Option 6-3 - Modified 50% survivorship	\$1,761.31	\$880.66

\* \$857.00 was used to calculate Social Security Leveling.

**Section D. Income Tax Information**

Our records indicate you have 5 or more years of service credit as of August 12, 1989, therefore your benefit paid by this System is not subject to North Carolina income tax.

All or most of your retirement benefit may be subject to federal income tax since it had not been previously taxed. The taxable portion of your benefit will be indicated on your tax statement in January.

**Section E. Frequently Asked Questions**

For more information on the available payment options above, please see your Retirement Benefits Handbook at myncretirement.com.

The benefits shown here may or may not be increased by future Cost of Living Adjustments (COLAs). While COLAs have been granted in many years in the past, they are dependent on either investment gains or additional contributions from employers, neither of which may arise. Even if COLAs are granted, they may be smaller than the inflation in the prices of the goods and services you buy. Therefore, the purchasing power of your benefit could decline substantially over the rest of your lifetime and you may wish to save some of your pension income today to be able to cover higher expenses in the future.

Generally, the longer you work and the higher your salary, the greater your retirement benefit. Your age and/or service at retirement could also combine to eliminate reduction factors and give you a higher retirement benefit. A purchase of retirement service credit may also increase your retirement benefit or may allow you to retire at an earlier date. Again, for additional information please go to myncretirement.com.

**Section F. Disclaimer**



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You should not consider any estimate provided to be a representation, contract, or guarantee of any benefit. Any estimate provided is subject to correction for any errors including, but not limited to, data entry or benefit calculations. The availability and amount of a retirement benefit you may be eligible to receive is governed by Retirement System law. Any estimate provided cannot alter, modify, or otherwise change the controlling Retirement System law or governing legal documents in any way, nor can any right accrue to you by reason of any information provided omission of information on the estimate. In the event of a conflict between a benefit estimate and Retirement System law, Retirement System law governs. Any actual retirement benefit will be subject to verification before payment is authorized. This estimate will not reflect the retirement benefit amount that will be payable for retirement dates on and after January 1, 2015, if the benefit exceeds the IRS section 415 (b) annual pension benefit limit.

Contact us at: (919) 807-3050 Raleigh Area (877) 627-3287 Toll Free

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Report of Your Estimated Retirement Benefit  
Teachers' and State Employees' Retirement System (TSERS)

Section A. Retirement Identification

TALLEY, PATSY W ✓  
6459 BROAD CREEK RD  
WASHINGTON, NC 27889-9735

SSN: [REDACTED]  
Member ID: [REDACTED]  
Beneficiary Name: TALLEY, JR, WILLIAM G  
Beneficiary Birth Date: [REDACTED]

Retirement Date: 11/1/2008  
Retirement Type: Service Retirement  
Member Birth Date: [REDACTED]  
Sick Leave: 44.3600 DAYS

New AFC

Section B. Calculation Information

AVERAGE FINAL COMPENSATION:	(A)	\$51,470.06 (STG)
Accrual Rate:	(B)	0.0182
Years of Service:	(C)	25.1000
Maximum possible STG benefit:	(A) * (B) * (C)	\$23,512.55
Total Annual Benefit:	(D)	\$23,512.55
Early Retirement Factor:	(E)	1.0000
Maximum Annual Benefit:	(D) * (E)	\$23,512.55

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*Re Calculation*



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www.myncretirement.com

**Section C. Available Payment Options**

Option	Monthly Benefit	Survivor Benefit
Maximum Allowance	\$1,959.38	\$0.00
Option 2 - 100% survivorship	\$1,664.49	\$1,664.49
Option 3 - 50% survivorship	\$1,799.89	\$899.95
* Option 4 - Social Security Leveling After Age 62	\$1,864.24	\$0.00
* Option 4 - Social Security Leveling To Age 62	<u>\$2,721.24</u>	\$0.00
Option 6-2 - Modified 100% survivorship	\$1,626.68	\$1,626.68
Option 6-3 - Modified 50% survivorship	\$1,777.55	\$888.78

*Prepared 4/23/10*

*New Initial after Money changes with Recalc.*

*Retro payment made 4/27/2010  
in Amt. of \$322.20*

**Section D. Income Tax Information**

Our records indicate you have 5 or more years of service credit as of August 12, 1989, therefore your benefit paid by this System is not subject to North Carolina income tax.

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Generally, the longer you work and the higher your salary, the greater your retirement benefit. Your age and/or service at retirement could also combine to eliminate reduction factors and give you a higher retirement benefit. A purchase of retirement service credit may also increase your retirement benefit or may allow you to retire at an earlier date. Again, for additional information please go to myncrretirement.com.

**Section F. Disclaimer**



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You should not consider any estimate provided to be a representation, contract, or guarantee of any benefit. Any estimate provided is subject to correction for any errors including, but not limited to, data entry or benefit calculations. The availability and amount of a retirement benefit you may be eligible to receive is governed by Retirement System law. Any estimate provided cannot alter, modify, or otherwise change the controlling Retirement System law or governing legal documents in any way, nor can any right accrue to you by reason of any information provided omission of information on the estimate. In the event of a conflict between a benefit estimate and Retirement System law, Retirement System law governs. Any actual retirement benefit will be subject to verification before payment is authorized. This estimate will not reflect the retirement benefit amount that will be payable for retirement dates on and after January 1, 2015, if the benefit exceeds the IRS section 415 (b) annual pension benefit limit.

Contact us at: (919) 807-3050 Raleigh Area (877) 627-3287 Toll Free



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Form 2 - Enrollment Blank

TEACHERS AND STATE EMPLOYEES' RETIREMENT SYSTEM OF NORTH CAROLINA  
RALEIGH, NORTH CAROLINA 27611

(This form must be typed, in duplicate, with both copies being notarized and sent to the Retirement System by the employer. After enrollment, one copy will be returned to the employer, together with a membership card, both for delivery to the member.)

FEB 6 1984 Request Number 728100  
to be supplied by the Retirement System

APPLICATION 30710

LAST NAME: Talley FIRST NAME: Patsy MIDDLE NAME: Walker  
DATE OF BIRTH OF SELF: 3. Month: Day: Year:  
HOME ADDRESS (street, town, state, zip code, etc.):  
229 Alderson Rd.  
Washington, NC 27879  
SEX: Male Female X  
Social Security Number: [REDACTED]

CERTIFICATION OF EMPLOYER

The above applicant is a permanent full-time employee of Washington City Schools  
(Institution, School Unit, or Agency)  
located at 308 E. 7th Street, Washington, NC in a position classified as Teacher Aide  
(Address of employer's plant)  
with beginning date of current employment on or about January 25, 1984, and is entitled to membership in the Teachers' and State  
Employees' Retirement System.  
Date Jan. 19, 1984 Signature Betty Roarke  
(Administrative Officer)

DESIGNATION OF BENEFICIARY

Please read carefully the Rules and Regulations on reverse side of this form before completing this Section.  
Designation of beneficiary: I request the Board of Trustees of the Teachers' and State Employees' Retirement System of North  
Carolina to pay, in the event of my death before retirement:

A. The total amount of the accumulated contributions with allowable interest standing to my credit in the Retirement System.

Complete Name	Address	Relationship to Member	Birth Date Month Day Year
William G. Talley, Jr.	229 Alderson Rd, Washington, NC	Husband	[REDACTED]
Contingent			

B. The total amount of the death benefit provided under G. S. 135-5 in which I may be entitled.

Complete Name	Address	Relationship to Member	Birth Date Month Day Year
William G. Talley, Jr.	229 Alderson Rd, Washington, NC	Husband	[REDACTED]
Contingent			

I hereby authorize the Board of Trustees of the Retirement System to make payment to the beneficiary(ies) whom I have above nominated and agree on behalf of myself and my heirs and assigns, that payment so made shall be a complete discharge of the claim and shall constitute a release of the Retirement System from any further obligation on account of the benefit. In completing and signing this form, I acknowledge acceptance of the Rules and Regulations printed on the reverse. I reserve the right to change the beneficiary or beneficiaries designated above as prescribed in the Rules and Regulations.

Signature Patsy Walker Talley

STATE OF North Carolina COUNTY OF Guilford

On this 19th day of January, 1984, personally appeared

before me, the notary named Patsy Walker Talley to me known and known to me to be the person described in and who executed the foregoing instrument and he (or she) acknowledged that he (or she) executed the same and being duly sworn by me, made oath that the statements in the foregoing instrument are true.

My Commission expires August 12, 1985 Signature of Notary Public [REDACTED]  
Notary Public (Official Seal)

\* Name should agree with the name given your employer for payroll purposes and the name under which you are registered for Social Security purposes.

\*\* If beneficiary is a married lady, indicate her first name not husband's first name. Example: Mary Jones Smith not Mrs. John Albert Smith.





## Choosing Your Retirement Payment Option

North Carolina Retirement Systems

Please print or type in black ink.  
No erasures, strikeovers, or white-outs permitted in Sections C through F.

### Section A. Please review your personal and retirement information.

FIRST NAME PATSY	MI W	LAST NAME TALLEY	SSN [REDACTED]
MAILING ADDRESS 831 W 2ND ST			MEMBER ID 974693
CITY WASHINGTON	STATE NC	ZIP CODE 27889	TELEPHONE NO. [REDACTED]
RETIREMENT SYSTEM			EFFECTIVE DATE 11-08

### Section B. Understand the Guaranteed Refund applies to any option you choose.

The Guaranteed Refund feature provides that under all retirement options, if you and your monthly survivorship beneficiary die before exhausting the total of your accumulated contributions at the date of your retirement, any remaining portion will be paid in a lump sum payment to the beneficiary (ies) you designate. The purchase of additional creditable service after retirement (less the administrative fee) is also covered by the Guaranteed Refund feature, as well as NC 401 (k) Plan employee contributions that you transferred to the

Retirement System if you are a law enforcement officer. If all of your accumulated contributions have been exhausted, your monthly retirement benefit will continue, but the Guaranteed Refund will not be payable. After you have completed this form to choose your option and survivorship beneficiary (if applicable), you may designate the beneficiary(ies) of your Guaranteed Refund using a form that will be mailed to you, the Form 336 (Designating Beneficiary(ies) for Your Guaranteed Refund).

### Section C. Please read Guide A, then choose one of the following payment options.

You have a choice of retirement payment options. Please read Guide A and refer to your *Report of Your Initial Retirement Benefit* and make your choice.

- Maximum Allowance ☐ Basic straight life benefit with no monthly survivorship.
- Option Two ☐ 100% joint and survivorship with one monthly survivorship beneficiary designated in Section D.
- Option Three ☐ 50% joint and survivorship with one monthly survivorship beneficiary designated in Section D.
- Option Four ☒ Adjustment of retirement allowance and social security benefits with no monthly survivorship. (You must attach a statement from the Social Security Administration if you have not submitted one already. See Guide A.)
- Option Six-Two ☐ 100% joint and survivorship with one monthly survivorship beneficiary designated in Section D, increasing to maximum allowance if monthly survivorship beneficiary dies first.
- Option Six-Three ☐ 50% joint and survivorship with one monthly survivorship beneficiary designated in Section D, increasing to maximum allowance if monthly survivorship beneficiary dies first.
- None of the Above ☐ I have reviewed my estimate of retirement options and decided that I want to cancel my current application for retirement and apply for retirement at another time. (Skip to Sections E and G only.)

### Section D. Please read Guide B, then designate your survivorship beneficiary, if applicable.

Complete this section only if you selected Option Two, Three, Six-Two, or Six-Three. If you selected Maximum Allowance or Option 4, leave this section blank. You may not designate this same beneficiary as a beneficiary of your Guaranteed Refund on the Form 336.

<input type="checkbox"/> M <input type="checkbox"/> F	FIRST NAME	MI	LAST NAME	SSN	SPOUSE? <input type="checkbox"/> YES <input type="checkbox"/> NO	DATE OF BIRTH
MAILING ADDRESS				CITY	STATE	ZIP CODE

Please continue to the next page.



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**Section E. Please authorize with your signature.**

I revoke, as of the effective date of my retirement, any previous designation of beneficiary for any benefit or election of payment option except with respect to the death benefit, if applicable.

I now elect to have my monthly retirement benefits payable according to the option selected in Section C; and if I elected Option Two, Three, Six-Two, or Six-Three, I hereby designate my survivor for a monthly survivorship benefit in Section D.

I understand that if I elected Option Two or Three, and I named my spouse as monthly survivorship beneficiary, but my spouse dies, and I remarry, I may elect to name my new spouse as monthly survivorship beneficiary. This designation must be made within 90 days of remarriage under the same option with an additional reduction in my benefit amount and properly filed with the Retirement System within 120 days of the remarriage.

I understand I cannot change the elected retirement payment option, nor can I change the beneficiary for the monthly survivorship benefit, except under the following conditions:

- If the first retirement check has not been cashed, and it is prior to the 25<sup>th</sup> of the month following the month the first benefit check was mailed; and furthermore, the first check has been returned.
- If I have become divorced from my monthly survivorship beneficiary provided he/she was my spouse at the time of retirement.
- If I return to employment covered by the retirement system under which I retired, and I contribute to a new account for at least three years.

I certify by my signature that I have read the Guides A and B and have completed pages 1 and 2 of this form.

Signature: Patsy W. Talley Date: 12/15/08

**Section F. Please have this form notarized. Improperly notarized forms will not be accepted.**

**Notary Public Certification**

State of NC County of B

I, Linda K Mizell, a notary public for said State and County,

do hereby certify that Patsy W. Talley personally appeared

before me this date and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this the 15<sup>th</sup> day of October, 2008

Signature of Notary Linda K Mizell

My commission expires 3-18-2013



**Section G. Please submit the completed form by mail.**

You may mail the completed form to the address below.

You must return this form within 90 days of receipt. If any erasures, strikeouts, or white-outs are in the payment option, beneficiary designation, signature line, or notary section (Sections C through F), an entirely new form will be required. You will receive an acknowledgement letter when the Retirement System has received this form.

**Thank you.**

N.C. Department of State Treasurer, Retirement Systems Division  
325 North Salisbury Street, Raleigh, North Carolina 27603-1385  
(919) 807-3050 in the Raleigh area or (877) 627-3287 toll free  
[www.myncretirement.com](http://www.myncretirement.com)

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**6E**

MEMBERS LAST NAME	MEMBERS SSN
TALLEY	

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